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## **16.02.2022 - GBC Board Interview with Peter Schneck, CEO of CENIT AG**

Company: CENIT AG<sup>\*5a,5b,6a,7,11</sup>

ISIN: DE0005407100

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\*Catalogue of possible conflicts of interest on page 4

**As expected, the excellent development of the fourth quarter of 2021 contributed significantly to the successful business development of CENIT AG in the past business year 2021. With sales revenues in an expected range of € 153 - 155 million, an EBIT of € 6.0 - 6.3 million should have been achieved. Both the turnover and in particular the result would thus be above the previous forecasts. GBC analyst Cosmin Filker spoke with the new CENIT-CEO Peter Schneck.**

**GBC AG: Mr Schneck, in the fourth quarter, EBIT also benefited from their extraordinarily high sales of proprietary software. Was that a one-off-effect and how would you classify the business development of the past year?**

**Peter Schneck:** CENIT was able to record four short-term incoming orders at the end of the year, three of which were in the EIM area and one in the PLM area. All four orders contain a high proportion of proprietary software and, thus, a pleasing margin as well. Our own solutions are crucial for the integration of partner solutions and will therefore be in greater demand in the future. The short time it took for customers to contact us before the orders were completed is due to a catch-up effect. We assume that this will now also be the case in other customer relationships and therefore does not represent a special effect. Rather, clients have become more focused and decisive during the pandemic. Therefore, we also expect positive business development in the current year.

**GBC AG: You have been the new CEO of CENIT AG since 01.01.2022 and, thus, after the departure of Kurt Bengel. What was the transition like and what impression did you gain in your first weeks in your new position?**

**Peter Schneck:** The introduction by Mr Bengel was very intensive and good, so that I was able to gain a valuable first insight. Accordingly, we have strong partners, a very balanced and sustainable portfolio as well as a highly motivated team with a high degree of expertise in very interesting industry sectors. This is a very motivating environment for me. At the same time, I have already been able to pick up on some future topics that we will now tackle.

**GBC AG: Previously, as a member of the DATAGROUP SE Management Board, you were responsible for M&A, investor relations and legal affairs. Will M&A and increased investor communication also be your focus at CENIT AG?**

**Peter Schneck:** Our growth strategy includes strong inorganic growth, as without M&A it will not be possible to achieve the CENIT 2025 target through organic growth alone.

Therefore, we will acquire one to two companies per year. We will focus on companies based in Europe and North America with annual sales of between € 5 million and € 30 million. The goal is to strengthen our five business areas through technology, customer portfolios, talent and regional presence.

With regard to investor communication, we will become increasingly active and be represented at investor conferences virtually or, preferably, in person. Participation in more than ten conferences is planned for 2022 alone. In addition, we will reintroduce a quarterly telephone conference to explain the figures and provide up-to-date background information. As in my previous job, transparency towards investors and shareholders is a very important goal for me.

**GBC AG: How do you assess the current market environment in your traditional customer sectors? Were they particularly affected by the corona pandemic?**

**Peter Schneck:** Our customer groups in the automotive and aviation industries were particularly hard hit by corona and this naturally had an impact on CENIT. In some cases, we were no longer able to go to our customers' premises to carry out our work. However, over the last six months we have seen a significant upturn in these industries, which has been positively reflected in our remarkable last quarter. The pandemic has once again accelerated the importance of digitalisation overall, but especially in the manufacturing industry. In this respect, we are very positive about the current year as well as the years to come.

**GBC AG: Are there strategic considerations to be made to achieve a stronger mix in the customer industries?**

**Peter Schneck:** Heavy dependence on the manufacturing industry, especially automotive and aerospace, has shown us that we need to diversify in order to be better able to react to any pandemics and/or other economic influences. Fortunately, our solutions are needed in all industries and the topic of digitalisation is on everyone's lips. Therefore, we are now looking at the potential in calm and reflection and will then add one or two new segments. In addition, we have also recognised that we need to position ourselves even more globally in order to be able to compensate for any regional market fluctuations by balancing them out in other regions. We have to find the right balance.

**GBC AG: The topics of ESG and sustainability are becoming increasingly prominent. How is your company covering this area?**

**Peter Schneck:** At our Annual General Meeting in May 2022, we will publish an ESG report that shows our objectives and the activities we have already carried out. The topic of ESG has become enormously important in attracting new talent, but also on the capital market, so we will also deal with it comprehensively.

Furthermore, ESG also offers CENIT opportunities to expand sales through new product solutions. We work with our partners to provide our customers with data and evaluations across the entire value chain that are needed for an ESG report or that enable a sustainable decision to be made in the first place. After all, we are always involved in the process, from product planning to the recycling of waste products, and are thus able to develop decisive solutions that enable us to generate additional sales through ESG. Be curious to see what we will offer in the near future!

**GBC AG: With the "CENIT 2025" agenda, investors with a long-term investment horizon have an indication of the planned business development. What are the key data of the agenda and what measures have to be taken to fulfil them?**

**Peter Schneck:** CENIT 2025 envisages almost doubling our current turnover to € 300 million with an EBIT margin of 8 - 10 %. Organic growth will be achieved primarily by focusing on cloud solutions for our existing customers and acquiring new customers in additional industry segments. In addition, existing partnerships will be further expanded and new product solutions will be co-distributed via the partner landscape. Lastly, in the future we will also sell the solutions of the five business units to existing customers, as these potentials have yet to have been exploited. Furthermore, inorganic growth will of course become an essential part of our strategy.

**GBC AG:** Thank you very much for the interview, Mr Schneck.

## APPENDIX

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