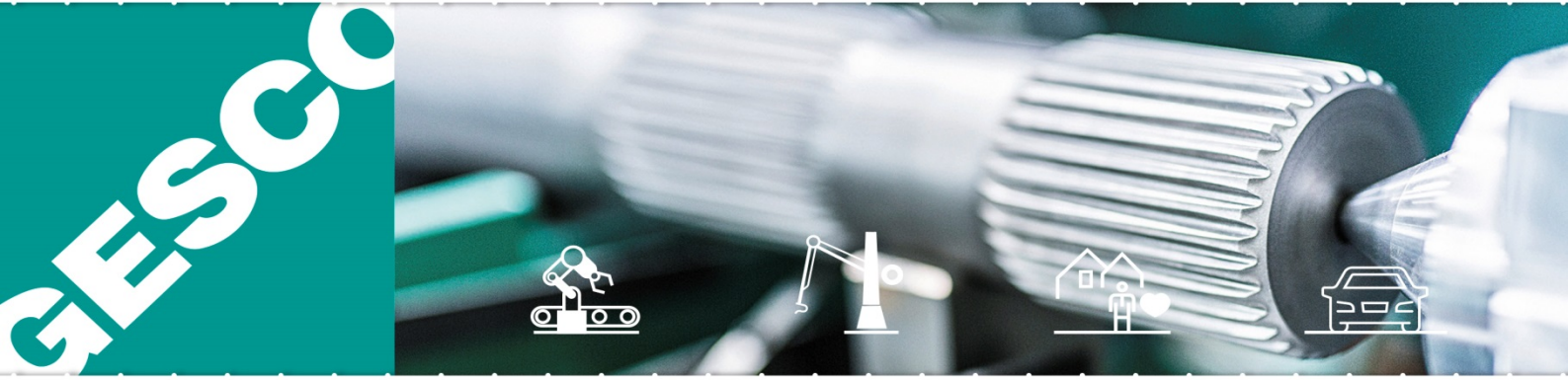
as at
14 August 2018



Company Presentation

1. Business Model
2. Current financial year 2018/2019
3. M&A
4. GESCO on the stockmarket

THE INDUSTRIAL GROUP

GESCO – an association of industrial SMEs including market and technology leaders

- Seventeen subsidiaries currently operating under the roof of GESCO AG
- We think and act on a sustainable and entrepreneurial basis.
- We operate in established sectors with innovative technologies.
- We supply technology “made in Germany” to global markets.
- GESCO is comprised of flexible, operationally independent and entrepreneurially managed entities that benefit from being part of a strong group.

GESCO AG – a long-term investor and safe haven for succession solutions

- We acquire and develop industrial SMEs on a long-term basis without any intent to exit.
- Majority acquisitions, generally 100%
- Usually within the scope of a succession arrangement
- New management is offered the opportunity to acquire a stake in the new company of up to 20% (“entrepreneur company”).

GESCO THE INDUSTRIAL GROUP

Production process technology

Dynamically growing markets, high degree of innovation, automation, „batch size 1“

Robotics and automation solutions in machine and plant construction, technology-intense manufacturing services

Resource technology

Consolidating markets, focus on niches and customer service

Customised preparation of primary materials, e. g. materials supply, transport and loading technology

Health and infrastructure technology

Not very cyclical, relatively resilient to economic fluctuation

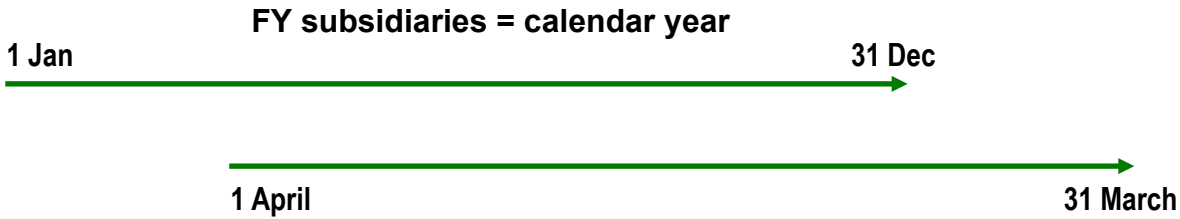
Components, modules and primary products for providers for mass markets close to end customers

Mobility technology

Cyclical automotive market, positive outlook driven by technological leaps, e. g. electromobility

Tools and moulds, components, parts etc. for vehicle industry

Please note:



FY GESCO AG / GESCO Group = 1 April to 31 March

Starting position and expectations for the new financial year
(as at Annual Accounts Press Conference on 28 June 2018)

- **Forecast GDP growth: 1.7% to 2.4%**
- **VDMA forecast for production growth: initially +3%, increasing to +5% in April**
- **Delivery times have become noticeably longer → high utilisation in the supply chain**
- **Considerable political risks**

Development in first quarter

- Ongoing dynamic development
- Lively start, order intake slightly above high level of previous-year period
- Growth in sales, disproportionately high increase in earnings

2. Financial year 2018/2019 – Q1 (operational January to March 2018)

prev.-year figure exceptionally high

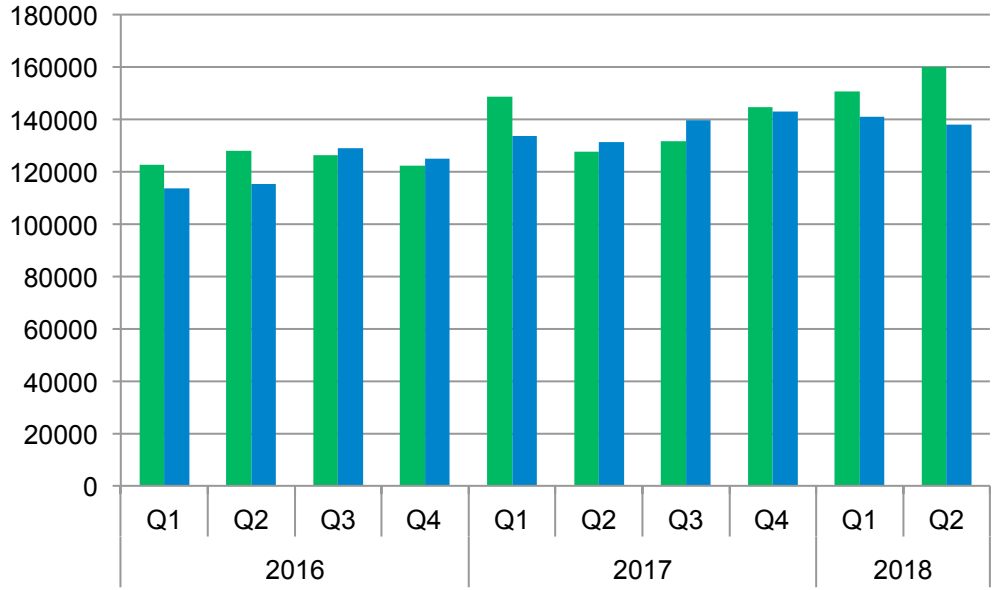
		Q1 2017/2018	Q1 2018/2019	Change	
Order intake	**€ mn**	**148.7**	**150.4**	**+1.2 %**	Organic *): +3.3%
Group sales	**€ mn**	**133.4**	**140.8**	**+5.6 %**	Organic *): +7.2%
EBITDA	**€ mn**	**17.5**	**18.7**	**+7.1 %**	Better uilisation of capacities
EBIT	**€ mn**	**10.9**	**13.1**	**+20.1 %**	
Group net income after minority interest	**€ mn**	**5.6**	**7.4**	**+31.8 %**	in prev. year high ppas from first-time consolidation → disproportionate growth
Earnings per share acc to nach IFRS	**€**	**0.52**	**0.68**	**+31.8 %**	
Employees	**No.**	**2,588**	**2,507**	**-3.1 %**	On organic basis almost unchanged
Investments	**€ mn**	**4.4**	**5.9**	**+33.2 %**	

*) organic = prev. year without Protomaster (sold Dec. 2017)

2. Financial year 2018/2019 – Q1segment development

€		Q1 2017/ 2018	Q1 2018/ 2019	Change	Comments
Production Process Technology	IO	20.9	21.5	+3.1%	Start into FY with high IO; earnings hardly meaningful since production of plants and machines started which will contribute to sales and earnings only in future quarters
	Sales	14.9	16.6	+11.5%	
	EBIT	-0.3	0.3	---	
Resource technology	IO	72.8	77.2	+6.1%	Further growth after very strong Q1 in prev. year; prev. year's margin disproportionately high due to dynamic market environment
	Sales	70.1	71.3	+1.7%	
	EBIT	10.9	10.1	-7.2%	
Healthcare and Infrastructure Technology	IO	34.4	37.8	+9.8%	Robust development; prev. year's earnings exceptionally high due to favourable order mix
	Sales	33.1	36.2	+9.2%	
	EBIT	3.8	3.4	-9.0%	
Mobility Technology	IO	20.5	13.9	-32.4%	At end of prev. year Protomaster sold, business unit of one company closed
	Sales	15.5	17.0	+9.9%	
	EBIT	-0.1	1.7	---	

Demand in Q2 still lively, order intake on record level
(preliminary figures for second quarter in €'000)



Q2
order intake
approx. € 160 mn
+25 % yoy

Q2
sales
approx. € 138 mn
+5 % yoy

Order intake
Sales

Target figures

		2017/2018 Actual	2018/2019 Target	Change
Group sales	**€ mn**	**547.2**	**550 to 560**	**+0.5% to +2.3%** *(organic*): +2.5% to +4.4%)*
Group net income after minority interest	**€ mn**	**16.1**	**26 to 27**	**+61.5% to +67.7%**
Earnings per share pursuant to IFRS	**€**	**1.49**	**2.40 to 2.49**	**+61.5% to +67.7%**
Investment	**€ mn**	**25.3**	**25 to 30**	**-1.2% to +18.6%**

- **Demand in H1 on a very high level**
- **Some orders will become sales in next financial year**
- **Normalisation expected for H2**
- **In mobility technology segment challenging environment with pressure on margins remaining high**

→ **Outlook for full financial year confirmed**

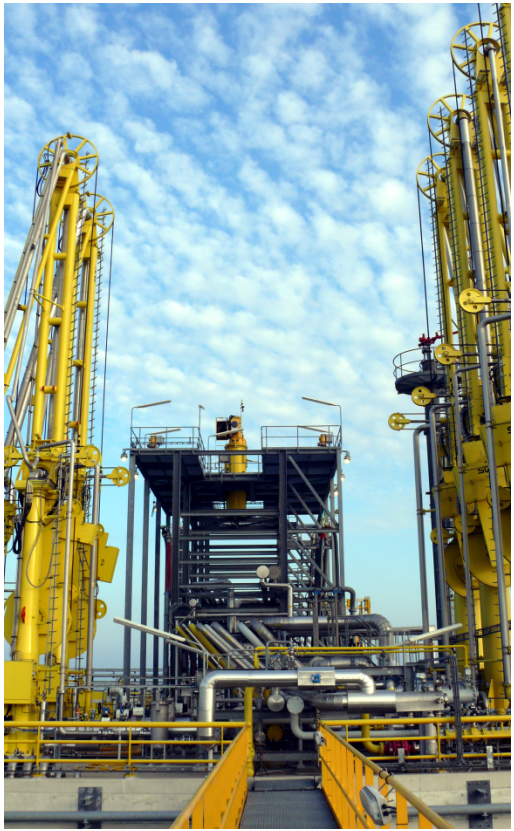
*) Organic = prev. year without Protomaster

3. Financial year 2018/2019 – segment development outlook

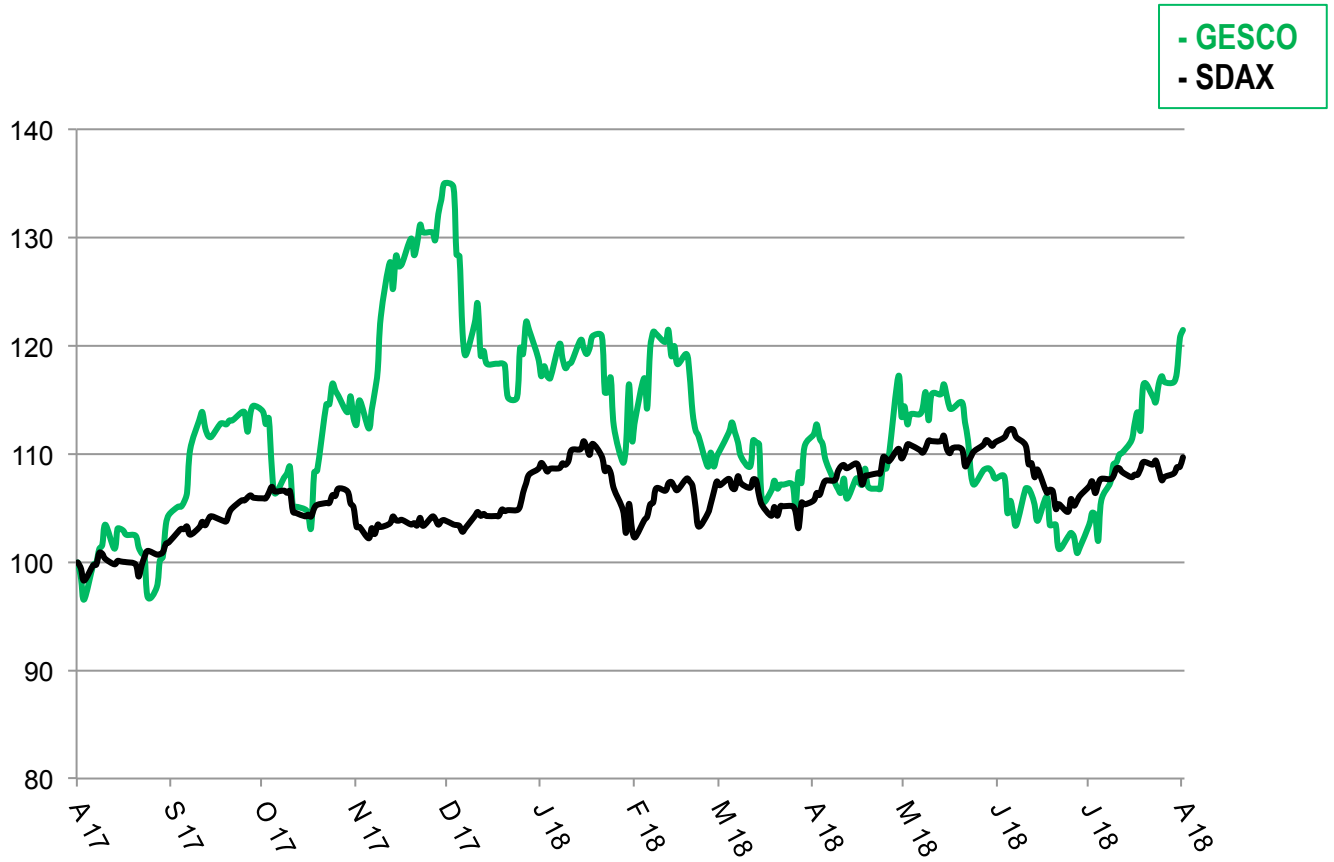
				Comments/ expectations for 2018/2019
	Production Process Technology	Sales EBIT		Order intake has recovered in the first months of 2018; sales and earnings growth expected in 2018/2019
	Resource technology	Sales EBIT		Business activities continue at a very high level; yoy slightly higher sales and earnings at or lightly above prev. year's level expected
	Healthcare and Infrastructure Technology	Sales EBIT		Positive development throughout the companies; sales and earnings expected abouve prev. year
	Mobility Technology	Sales EBIT		Decline in sales due to sale of Protomaster and closing of business division; earnings much better expected yoy due to elimination of one-off impact

Status of M&A

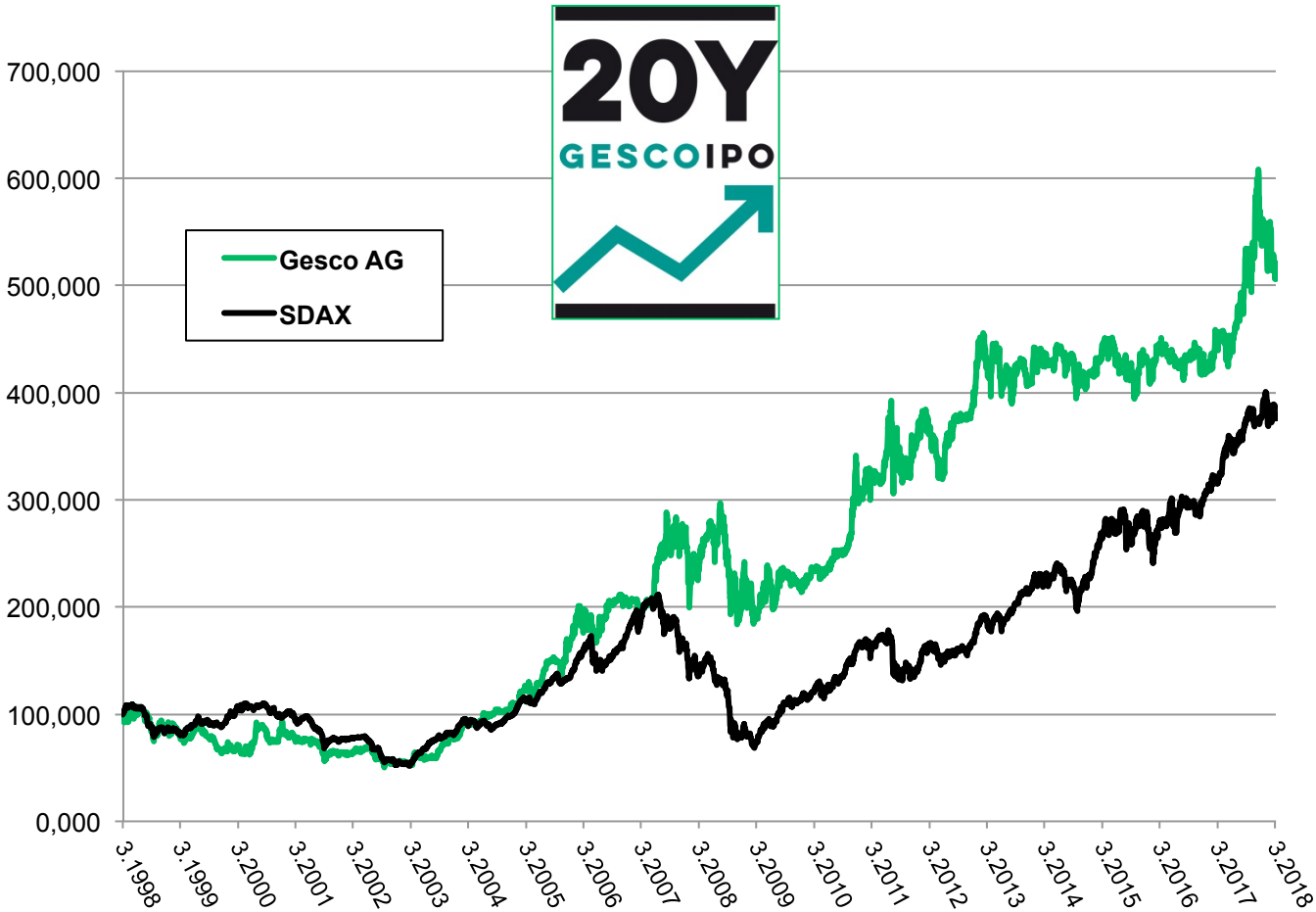
- Still a seller's market with strong demand in the face of short supply
- Some investors are obviously prepared to reduce their due diligence requirements
- Good deal flow continues at GESCO
- Direct market targeting proves itself.



6. GESCO-Aktie incl. dividends vs. SDAX 1 year (%)



6. GESCO shares incl. dividends vs. SDAX 24 March 1998 – 29 March 2018 in %



Appendix – GESCO Group overview

	Company	Umsatz 2017 € ‘000	Staff as at 31.12.2017	GESCO AG shareholding
Production Process Technology	MAE Group	44,608	217	100%
	VWH GmbH	12,641	123	80%
	Georg Kesel Group	12,369	61	90%
	C.F.K. CNC-Fertigungstechnik Kriftel GmbH	8,017	67	80%
Resource Technology	Dörrenberg Group	199,120	533	90%
	SVT GmbH	42,975	186	90%
	Pickhardt & Gerlach Group	32,989	42	100%
Health & Infrastructure Technology	Frank Group	31,517	298	90%
	Setter Group	30,614	113	100%
	AstroPlast Kunststofftechnik GmbH & Co. KG	14,381	82	100%
	Franz Funke Zerspanungstechnik GmbH & Co. KG	17,951	86	80%
	Haseke GmbH & Co. KG	15,107	75	80%
	Hubl GmbH	14,092	105	80%
Mobility Technology	Werkzeugbau Laichingen Group	21,248	173	100%
	Dömer GmbH & Co. KG Stanz- und Umformtechnologie	17,849	100	100%
	Modell Technik Formenbau GmbH	11,460	116	100%
	Paul Beier GmbH Werkzeug- und Maschinenbau & Co. KG	10,409	93	100%

Founded:	**1989**
Share capital:	**€ 10,839,499**
Shares:	**10,839,499 registered shares**
Free float:	**86.3 %**
Stock markets:	**Xetra; Frankfurt (regulated market); Berlin, Düsseldorf, Hamburg, Hanover, Munich, Stuttgart (open market)**
Sec. identification number :	**A1K020**
ISIN:	**DE000A1K0201**
IPO:	**24.03.1998**
End of financial year:	**31 March**
Designated sponsors:	**equinet Bank AG Oddo BHF Bank AG**

Appendix – Financial calendar and IR contact

Financial calendar

14 Aug. 2018	Q1 figures
30 Aug. 2018	Annual General Meeting, Wuppertal
14 Nov. 2018	Q2 figures
14 Feb. 2019	Q3 figures
27 June 2019	Annual Accounts Press Conference / Analysts‘ Meeting
14 Aug. 2019	Q1 figures
29 Aug. 2018	Annual General Meeting, Wuppertal
14 Nov. 2019	Q2 figures

Investor Relations

GESCO AG
Investor Relations
Oliver Vollbrecht
Johannisberg 7
42103 Wuppertal
Germany

Telephone +49 202 24820-18
Fax +49 202 24820-49
Email info@gesco.de
Internet www.gesco.de