

MS INDUSTRIE AG

ISIN: DE0005855183

Voluntary Quarterly Release - Key Figures Quarter 1-2022

MS Industrie Group with EAT in Quarter 1-2022
amounting up to Mio. EUR 0,9 - positive annual forecast

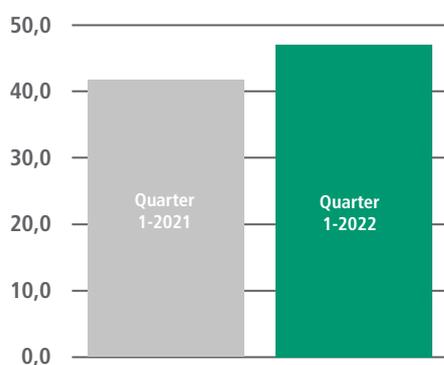
Overview of key figures Quarter 1-2022 and previous years period (for comparison purposes)

MS Industrie Group,
IFRS in Mio. EUR (EpS in EUR)

	Quarter 1-2021 (unaudited)	Quarter 1-2022 (unaudited)
Group Sales	41,7	47,0
EBITDA	4,7	4,7
EBIT	0,9	1,9
EBT	0,5	1,2
EAT	0,8	0,9
EpS	0,03	0,03

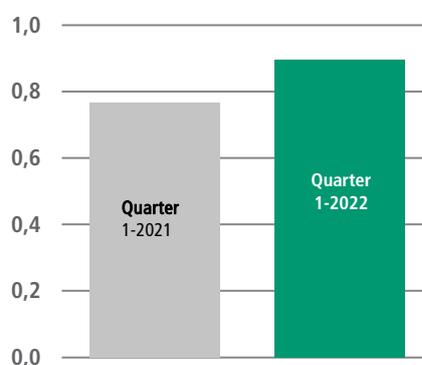
Group Sales

in Mio. EUR



Earnings after tax

after non-controlling-interests (EAT) in Mio. EUR



Munich, May 13, 2022

Dear Shareholders, dear Employees and Business Partners,

MS Industrie AG, Munich (ISIN: DE0005855183), based on the audited key figures of overall fiscal year 2021, published on April 29, 2022, presents on a voluntary base, selected unaudited quarterly IFRS-figures for Q1-2022, showing a satisfactory development, reflecting the indirect impacts of the current economic crisis, caused by the Covid 19-Pandemic and the Russia-/Ukrainian-war.

In total, the sales revenues of the individual companies are around 13 % above the previous year's figures, despite the indirect negative economic impact of the Covid 19-Pandemic and the Russia-/Ukrainian-war. In total, the sales revenues of the individual companies are indeed slightly lower than the planned figures.

Both in the **Powertrain Technology Group**, also briefly: "**Powertrain**", and in the **Ultrasonic Technology Group**, also briefly: "**Ultrasonic**", the sales development in Q1 was positive. Turnover of business segment "**Powertrain**" on the one hand is approximately +15 % significantly above the sales of the previous year's period. Turnover of business segment "**Ultrasonic**" on the other hand is around +6 % slightly above the sales of the previous year's period.

Sales revenues of the business segment "**Powertrain**" contribute a percentage of around 75 % and sales revenues of business segment "**Ultrasonic**" make for a percentage of around 25 % to the total consolidated group sales in Q1-2022.

Order backlogs end of March 2022 amounted to a total of around Mio. EUR 120; in the "Ultrasonic"-segment about 25 % above and in the "Powertrain"-segment about 9 % above the average order backlog in the previous year.

The performance of MS Industrie-Group in Q1-2022 was satisfactory in terms of the essential earnings indicators, particularly **earnings before interest, taxes, depreciation and amortization – EBITDA** -, **operating earnings before interest and tax - EBIT** -, **earnings before tax - EBT** -, **earnings after tax - EAT** - and last but not least "**Earnings per Share**" – "**EPS**" -.

Gross domestic product (GDP) increased by +0.2 % in Q1-2022 compared to Q4-2021 - adjusted for price, seasonal and calendar effects. Following the recovery of the German economy last summer and the decline at the end of 2021, economic output thus increased slightly again in Q1-2022. This was mainly due to higher investment, while net exports slowed economic growth. Since the end of February, the economic impact of the war in Ukraine has increasingly influenced economic development. Year-on-year, price-adjusted GDP in Q1-2022 was +4.0 % higher than in Q1-2021, when the German economy had been hit by the effects of the second wave of the Covid 19-pandemic, according to a press release issued by the Federal Statistical Office, Wiesbaden, on April 29, 2022.

The European market for **heavy commercial vehicles over 16 tonnes** has developed stably - and thus significantly more positively than the commercial vehicle sector as a whole - with a registration increase of +0,6 % in the 1st quarter of 2022 compared to the same quarter of the previous year (decrease in registrations in Germany: -1.0 %) (source: "ACEA" "Association des Constructeurs Européens d'Automobiles", Brussels, as of April 27, 2022). As the market for heavy commercial vehicles over 16 tonnes is the only really relevant sales market for the "Powertrain"-segment in Europe, these figures are fundamentally positive; we therefore also expect an increase in truck registration figures again in the 2nd half of 2022. The very good market demand at the OEMs led to increased order backlogs in the 1st quarter of 2022; only supply chain problems have led to production shutdown days, delayed deliveries and consequently to subdued registration figures.

In March, order intake in the **German mechanical and plant engineering sector** fell short of its year-earlier level for the first time since January 2021. Total incoming orders declined by -4 % in real terms. Domestic orders fell by -3 %, orders from abroad were -5 % below the previous year's level (euro countries: -9 %, non-euro countries: -4 %). A lack of orders or even order cancellations from Russia and Ukraine are likely to have led to this decline, as well as a generally stronger reluctance to buy on the part of unsettled investors, as the industry association "VDMA" announced in Frankfurt on 3 May. In addition, the already significant supply chain problems are again becoming more noticeable, for example as a result of the closure of the port of Shanghai. In addition, there was a base effect in March, as the order level in March 2021 was unusually high. For Q1 2022 as a whole, on the other hand, companies still recorded an increase in orders of +7 % in real terms compared to the previous year. Domestic orders increased by +9 % from January to March, while orders from abroad were up +6 %. The euro countries and the non-euro countries each increased their orders by +6 % in this period. In the **mechanical engineering niches of the "Ultrasonic"-segment**, market demand has recovered strongly - after two difficult financial years - due to the global increase in the variety of passenger car models. This also applies to the technology areas (series machines, systems and components), which are currently recording a doubling of incoming orders compared to the previous year.

Key figures for Q1-2022 (January to March 2022) are as follows:

In the actual reporting period Q1-2022 and in the previous year's period there have been no non-recurring items with a significant influence on profit and loss, therefore no adjustments have been made.

Total **Consolidated Revenues** for Q1-2022 are at **Mio. EUR 47,0** (prev. Mio. EUR 41,7), with +12,6 % being significantly above the previous year's first quarter.

Total **Factory Output**, including positive changes in inventory, totaling to around **Mio. EUR 0,6** (prev. Mio. EUR 1,6), is around **Mio. EUR 50,1** (prev. Mio. EUR 45,4) and so as well with +10,3 % significantly above previous year's period output.

In the regional sales-market **USA / Canada ("North America")** the achieved revenues in Q1-2022 are totaling to **Mio. EUR 6,4** (prev. Mio. EUR 5,4). Thus around **13,7 %** (prev. 12,9 %) of consolidated total revenues of MS Industrie-Group in Q1-2022 have again been achieved in the North American market, this means a turnover-increase in the regional sales-market USA / Canada ("North America") by around **+19,3 %** compared to previous year.

Gross profit amounts with **Mio. EUR 24,6** (prev. Mio. EUR 23,4) slightly above previous year's period. The **gross profit margin** has decreased by -3,6 percentage points from 56,0 % to **52,4 %**, due to change in product mix.

Earnings before interest, taxes, depreciation and amortization - **EBITDA** – in Q1 amount to **Mio. EUR 4,7** (prev. Mio. EUR 4,7), operating profits before interest and tax - **EBIT** - amount to **Mio. EUR 1,9** (prev. Mio. EUR 0,9).

The Group's profit before income tax - **EBT** – in Q1 amounts to around **Mio. EUR 1,2** (prev. Mio. EUR 0,5). The result after taxes and minority interests - **EAT** - in Q1 amounts to around **Mio. EUR 0,9** (prev. Mio. EUR 0,8).

Total comprehensive income for Q1-2022 amounts to **Mio. EUR 1,0** (prev. Mio. EUR 0,9). The difference between earnings after tax (EAT) and total comprehensive income after income taxes in Q1 primarily results from positive foreign currency translation differences (EUR-USD) recognized in other comprehensive income ("OCI") without profit impact in a total amount of Mio. EUR +0,1 (prev. Mio. EUR +0,1).

Earnings per share - "EPS" - attributable to the shareholders of the parent company MS Industrie AG - based on the weighted average number of shares issued until March 31, 2022 (on average 29,9 million shares) - in accordance with IAS 33 (basic and diluted) amount to **EUR 0,03** (prev. basic and diluted: EUR 0,03 based on 29,9 million shares).

As of March 31, 2022, **Cash and cash equivalents** in the group in total amount to **Mio. EUR 4,7** (Dec. 31, 2021: Mio. EUR 6,5). **Liquid funds** as of March 31, 2022 amount to **Mio. EUR -25,0** (Dec. 31, 2021: Mio. EUR -18,8), this means a decrease compared to the ending balance of 2021 by Mio. EUR -6,2. The decrease in liquid funds is mainly due to negative cashflows from investing (mainly due to investments in property, plant and equipment) as well as from financing activities.

The Group's **Equity Ratio** has slightly decreased compared to December 31, 2021 and now amounts to **35,2 %** (December 31, 2021: 37,0 %), while total assets have slightly increased.

Equity and non-controlling interests have slightly increased by Mio. EUR 1,1 in absolute figures to **Mio. EUR 69,1** as at March 31, 2022 (December 31, 2021: Mio. EUR 68,0) mainly due to the positive total comprehensive income.

The number of **Employees** in the group increased according to plan to a number of **759 permanent employees** on March 31, 2022, compared to 735 permanent employees as at December 31, 2021.

In Q1-2022 there have been no changes in the consolidated group structure compared to December 31, 2021.

Overall, for the 2022 financial year - in comparison to the adjusted key figures of the previous year and excluding effects from the Ukraine/Russia war that are currently not foreseeable - a significantly higher industrial Group turnover of around Mio. EUR 200 is expected, with a significantly increasing operating EBITDA, while the operating EBIT and EBT should also improve significantly, so that we ultimately expect a positive, operating Group result for the year significantly above the level of the previous year. According to the Group's projections, the gross profit margin (cost of materials in % of revenues) should develop neutrally and the EBIT margin from current business should develop clearly positively with a clearly improved, positive operating result per share. Based on the expected positive annual result, a slight increase in Group equity is expected for 2022. Cash flow from operating activities is expected to develop significantly better than in the previous year, despite the growth-related increase in working capital. With regard to cash flow from financing activities, we also expect significantly positive changes compared to 2021. Based on the expected developments, the gearing ratio should remain stable and the equity ratio should increase slightly.

This **voluntary** quarterly release contains forward-looking statements based on current estimates of the management regarding future developments. Such statements are subject to uncertainties and risks, in particular also due to the implications of the Covid 19-pandemic and the Russia- / Ukraine-war, which cannot be influenced by MS Industrie AG. If such risks or uncertainties materialize, or assumptions on which these forward-looking statements are based should

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MS Industrie AG, headquartered in Munich, Germany, is the listed parent company of a focused industrial group with two strategic core business areas: **Powertrain-technology** ("Powertrain Technology Group": "TIER-1"-supplier of systems and components for heavy internal combustion engines: valve trains, rocker arms, gearbox housings, etc., especially for commercial vehicles, parts for hybrid and electric engines) and **Ultrasonic-technology** ("Ultrasonic Technology Group": development, manufacture and distribution of industrial ultrasonic welding technology, special and series machines, systems for packaging materials and "nonwovens" as well as components). The main customer industries include the global commercial vehicle and passenger car industries, followed by the packaging machine industry, medical technology and other plastics processing industries as well as general mechanical and plant engineering. As part of its strategy, MS Industrie AG concentrates on predominantly organic growth and investments within the existing industrial core competencies, flanked by complementary services. The group currently generates a sales volume of around 200 million euros with around 800 employees at five production sites, two of which are in Germany and one each in the USA, Brazil and China.

Best regards

MS Industrie AG - The Executive Board

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