

MS INDUSTRIE AG

ISIN: DE0005855183

Voluntary Quarterly Release - Key Figures Quarter 1-2023

MS Industrie Group with EAT in Quarter 1-2023
amounting up to Mio. EUR 0,7 - positive annual forecast

Overview of key figures Quarter 1-2023 and previous years period (for comparison purposes)

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

Group Sales

EBITDA

EBIT

EBT

EAT

EpS

Quarter 1-2022
(unaudited)

Quarter 1-2023
(unaudited)

47,0

4,7

1,9

1,2

0,9

0,03

59,9

5,1

1,9

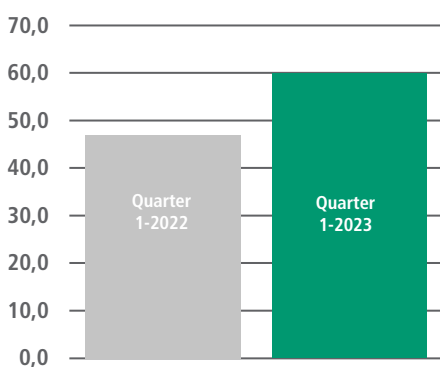
1,0

0,7

0,02

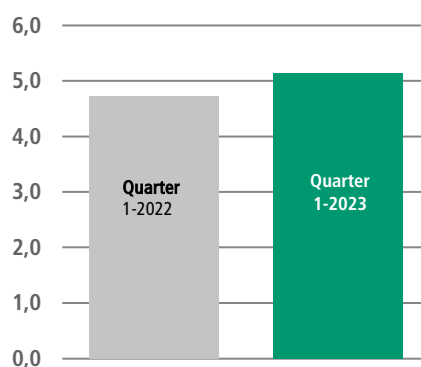
Group Sales

in Mio. EUR



EBITDA

in Mio. EUR



Munich, May 23, 2023

Dear Shareholders, dear Employees and Business Partners,

MS Industrie AG, Munich (ISIN: DE0005855183), based on the audited key figures of overall fiscal year 2022, published on April 28, 2023, presents on a voluntary base, selected unaudited quarterly IFRS-figures for Q1-2023, showing a positive development, as expected.

In total, the sales revenues of the individual companies are around +28 % above the previous year's figures, despite the indirect negative economic impact of the Russia-/Ukrainian-war. In total, the sales revenues of the individual companies are indeed nearly exact like 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 +22 % significantly above the sales of the previous year's period. Turnover of business segment **"Ultrasonic"** on the other hand is around +43 % significantly above the sales of the previous year's period, based on higher shipments of machines, which were part of semifinished inventory as of end of December 2022.

Sales revenues of the business segment **"Powertrain"** contribute a percentage of around 72 % and sales revenues of business segment **"Ultrasonic"** make for a percentage of around 28 % to the total consolidated group sales in Q1-2023.

Order backlogs amounted to a total of around Mio. EUR 148 as of end of March 2023; whereas in the **"Ultrasonic"**-segment about +13 % above and in the **"Powertrain"**-segment about +12 % above the average order backlog in the previous year.

The performance of MS Industrie-Group in Q1-2023 was within the expected range 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 +0.0 % in Q1-2023 compared to Q4-2022 - adjusted for price, seasonal and calendar effects. Following the recovery of the German economy last summer and the decline at the end of 2022, economic output thus has been stable again in Q1-2023. As the Federal Statistical Office, Wiesbaden, further reported in a press release on April 28, 2023, both private and government consumption expenditure decreased at the beginning of the year 2023. In contrast, positive impulses came from investments and exports.

The European market for **heavy commercial vehicles over 16 tonnes** has developed positively again with a registration increase of +19,2 % in the 1st quarter of 2023 compared to the same quarter of the previous year (increase in registrations in Germany: +20,3 %) (source: "ACEA - Association des Constructeurs Européens d'Automobiles", Brussels, as of April 27, 2023). 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 2023. The very good market demand at the OEMs led to increased order backlogs in the 1st quarter of 2023.

After several months of double-digit declines in order books, Germany's mechanical and plant engineering industry posted a smaller minus in March. Overall, orders fell by -6 % in real terms compared to the previous year, with -10 % fewer orders coming from Germany and -4 % fewer from abroad, as the industry association "VDMA" announced in Frankfurt on May 3. The non-euro region with a decline of -1 % fared better than the euro countries (-10 %). The bottom line for the entire 1st quarter of 2023 was a real decline in incoming orders of -13 % compared to the previous year. From January to March inclusive, domestic orders fell by -14 %, and orders from abroad were -13 % lower (euro countries: -11 %, non-euro countries: -13 %).

Key figures for Q1-2023 (January to March 2023) are against this economical background as follows:

In the actual reporting period Q1-2023 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 Q1-2023 are at **Mio. EUR 59,9** (prev. Mio. EUR 47,0), with +27,5 % being significantly above the previous year's first quarter.

Total **Factory Output**, including positive changes in inventory, totaling to around **Mio. EUR 2,0** (prev. Mio. EUR 0,6), is around **Mio. EUR 62,6** (prev. Mio. EUR 50,1) and so as well with +25,0 % significantly above previous year's period output.

In the regional sales-market **USA / Canada ("North America")** the achieved revenues in Q1-2023 are totaling to **Mio. EUR 7,9** (prev. Mio. EUR 6,4). Thus around **13,1 %** (prev. 13,7 %) of consolidated total revenues of MS Industrie-Group in Q1-2023 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 **+22,3 %** compared to previous year.

Gross profit amounts with **Mio. EUR 29,0** (prev. Mio. EUR 24,6) significantly above previous year's period. The **gross profit margin** has decreased by -4,0 percentage points from 52,4 % to **48,4 %**, due to change in product mix.

Earnings before interest, taxes, depreciation and amortization - **EBITDA** – in Q1 amount to **Mio. EUR 5,1** (prev. Mio. EUR 4,7), operating profits before interest and tax - **EBIT** - amount to **Mio. EUR 1,9** (prev. Mio. EUR 1,9).

The Group's profit before income tax - **EBT** – in Q1 amounts to around **Mio. EUR 1,0** (prev. Mio. EUR 1,2). The result after taxes - **EAT** - in Q1 amounts to around **Mio. EUR 0,7** (prev. Mio. EUR 0,9).

Total comprehensive income for Q1-2023 amounts to **Mio. EUR 0,3** (prev. Mio. EUR 1,0). The difference between earnings after tax (EAT) and total comprehensive income after income taxes in Q1-2023 primarily results from negative foreign currency translation differences (EUR-USD) recognized in other comprehensive income ("OCI") without profit impact in a total amount of Mio. EUR -0,3 (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, 2023 (on average 29,9 million shares) - in accordance with IAS 33 (basic and diluted) amount to **EUR 0,02** (prev. basic and diluted: EUR 0,03 based on 29,9 million shares).

As of March 31, 2023, **Cash and cash equivalents** in the group in total amount to **Mio. EUR 2,1** (Dec. 31, 2022: Mio. EUR 2,3). **Liquid funds** as of March 31, 2023 amount to **Mio. EUR -27,3** (Dec. 31, 2022: Mio. EUR -27,8), this means a slight increase compared to the ending balance of 2022 by Mio. EUR +0,5. The increase in liquid funds is mainly due to positive cashflows from operating activities as well as positive cashflows from investing activities (mainly due to payback of loans from investments) and negative cashflows from financing activities.

The Group's **Equity Ratio** has slightly increased compared to December 31, 2022 and now amounts to **34,5 %** (December 31, 2022: 34,1 %), while total assets have slightly decreased.

Equity has slightly increased by Mio. EUR +0,4 in absolute figures to **Mio. EUR 72,1** as at March 31, 2023 (December 31, 2022: Mio. EUR 71,7) mainly due to the positive total comprehensive income.

The number of **Employees** in the group increased according to plan up to a number of **824 permanent employees** on March 31, 2023, compared to 809 permanent employees as at December 31, 2022.

In Q1-2023 there have been no changes in the consolidated group structure compared to December 31, 2022.

Overall, for the 2023 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 235 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 2023. 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 2022. 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 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 prove incorrect, then actual results may be materially different from the results in these statements explicitly defined or implicitly contained. It is neither intended by MS Industrie AG, nor does MS Industrie AG assume any obligation to update any forward-looking statements to reflect events or circumstances after the date of this quarterly release. Neither MS Industrie AG nor a company affiliated with MS Industrie AG nor directors, managing directors, board members, employees or consultants of the Company, nor any other person assumes express or implied representations or warranties as to the completeness of the data contained in this quarterly release. Neither MS Industrie AG nor one of its affiliated companies nor an aforementioned person shall have any liability whatsoever for any losses arising directly or indirectly from the use of this quarterly release. Possible errors or incompleteness of the information do not constitute warranties, either with regard to direct or indirect damage or consequential damages. While all reasonable care has been taken to ensure that the facts set out above are correct and views expressed herein are fair and reasonable, this interim report is selective. If information

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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 235 million euros with more than 800 permanent 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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