



## Press Release

### **INDUS well positioned for the future: Continuing operations with 10 % sales growth and good profitability**

- **EBIT before impairment up EUR 8.4 million on previous year**
- **Earnings after taxes adversely affected by strongly negative result of the discontinued operations**
- **Proposed dividend of EUR 0.80 per share**
- **Positive outlook for 2023**

Bergisch Gladbach, 23 March 2023 – INDUS Holding AG increased its sales in FY 2022 by 10.4% to EUR 1.80 billion (previous year: EUR 1.63 billion). The Group's organic growth amounted to 8.3%. The new acquisitions made in 2022 (HEIBER + SCHRÖDER, HELD) and in 2021 (WIRUS, FLACO, TECALEMIT Inc.) already contributed 5.0% to growth. Inorganic growth, which also includes the shortfall in sales resulting from the sale of the WIESAUPLAST Group in late 2021, amounted to 2.1%. The P&L items of SMA as well as SCHÄFER and SELZER were reclassified into discontinued operations. The portfolio comprised 45 companies as at the reporting date.

At EUR 176.5 million, earnings before interest and taxes before impairment exceeded the previous year's EUR 168.1 million. The EBIT margin before impairment losses reached 9.8% (previous year: 10.3%). In the financial year, non-cash impairment losses amounted to EUR 42.8 million. Therefore, EBIT stood at EUR 133.7 million (previous year: EUR 165.6 million), while the corresponding EBIT margin amounted to 7.4% (previous year: 10.1%). Earnings after taxes from continuing operations came in at EUR 72.9 million (previous year: EUR 97.8 million). Earnings of the discontinued operations comprise the earnings after taxes of SMA, SELZER and SCHÄFER and stood at EUR -123.9 million (previous year: EUR -50.2 million). Accordingly, the Group's earnings after taxes were EUR -51 million (previous year: EUR 47.6 million).

“The good performance of the continuing operations shows that the painful divestment of the automotive series suppliers and our concentration on highly specialized industrial engineering put us in an excellent position for the future,” says Dr. Johannes Schmidt, Chairman of the Board of Management of INDUS Holding AG. “Our three new segments – Engineering, Infrastructure and Materials – clearly focus on our strengths, and this is something we can build on in 2023 and the coming years.”



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### **Growing sales in four out of five segments**

In 2022, all segments except Automotive Technology contributed to the growth in sales. Engineering, which is the best-selling segment, also recorded the highest increase in sales, by 21.2%. Growth in this segment was primarily driven by four new acquisitions made since 2021. The Construction/Infrastructure segment, which was further strengthened in 2021, e.g. by the acquisition of WIRUS, grew its sales by 14.1%. Sales in the Medical Engineering/Life Science and Metals Technology segments rose by 3.3% and 9.5%, respectively. Organic growth in the Automotive Technology segment increased by 9.3%, but the inorganic shortfall in sales resulting from the sale of WIESAUPLAST had the opposite effect.

### **Good results in three segments despite impairment losses**

In the Construction/Infrastructure segment, earnings before interest and taxes (EBIT) before impairment losses increased year-on-year to EUR 72.3 million (EUR 70.6 million). After impairment losses, which were mainly attributable to increased capital costs, EBIT amounted to EUR 59.6 million (previous year: EUR 70.6 million). The margin was primarily influenced by higher material prices. At 14.0%, the EBIT margin before impairment losses was within the target range of 13%–15% (previous year: 15.6%). The EBIT margin (after impairment losses) was 11.6% (previous year: 15.6%).

The Automotive Technology segment, which no longer comprises the portfolio companies SMA, SCHÄFER and SELZER due to their reclassification as discontinued operations, was adversely affected by the semiconductor shortage, the loss of the Russian business and a delayed ramp-up of mass production. Earnings before interest and taxes (EBIT) stood at EUR -7.9 million (previous year: EUR -6.9 million). As a result, the EBIT margin was negative at -5.5% (previous year: -4.0%). As part of the change in strategy, the Automotive Technology segment was dissolved at the beginning of 2023.

Most of the portfolio companies in the Engineering segment were able to improve their prior year results. Earnings before interest and taxes (EBIT) before impairment increased to EUR 64.7 million (previous year: EUR 56.5 million). The EBIT margin before impairment losses amounted to 12.2% (previous year: 12.9%). After impairment losses, EBIT came in at EUR 50.9 million (previous year: EUR 56.5 million), with the EBIT margin at 9.6% (previous year: 12.9%).

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The profitability of the Medical Engineering/Life Science segment was influenced by increased material prices, which could not be passed on in full, expenses for the implementation of the EU Medical Device Regulation (MDR) and expenses for the relocation of production facilities. Earnings before interest and taxes (EBIT) before impairment losses amounted to EUR 8.6 million (previous year: EUR 12.0 million), with the corresponding EBIT margin at 5.6% (previous year: 8.1%). After impairment losses, which primarily resulted from higher capital costs, EBIT declined to EUR -4.6 million (previous year: EUR 12.0 million). The EBIT margin therefore stood at -3.0% (previous year: 8.1%). Since the beginning of 2023, this segment has no longer been operated as a separate segment by the INDUS Group; the segment companies are being integrated into the new Materials segment.

In the Metals Technology segment, earnings before interest and taxes (EBIT) before impairment losses climbed 23.3% to EUR 52.3 million (previous year: EUR 42.4 million), while the EBIT margin before impairment losses rose to 11.4% (previous year: 10.1%). The discontinuation of BACHER in 2021 and one-time income from the sale of real estate also had a positive impact on profitability. The segment's EBIT (after impairment losses) came in at EUR 50.7 million (previous year: EUR 42.4 million), with the EBIT margin at 11.0% (previous year: 10.1%).

### **Higher working capital in response to rising prices and material shortages – solid free cash flow**

At EUR 137.1 million, operating cash flow was below the prior year level (EUR 177.7 million). In response to higher material prices as well as material shortages, some of the portfolio companies increased their inventories. In addition, business activity picked up. As a result, working capital stood at EUR 496.7 million on 31 December 2022. Free cash flow, which will be used as an additional key control variable as of the financial year 2023, amounted to EUR 101.5 million.

INDUS invested EUR 113.3 million in the portfolio in 2022, namely in the existing portfolio companies and in the acquisition of HEIBER + SCHRÖDER and the HELD Group, both of which are intended to strengthen the new Engineering segment.

Total assets of the INDUS Group amounted to EUR 1,889.9 million as at the reporting date (previous year: EUR 1,857.4 million). At 36.3%, the equity ratio was below the target of 40%.

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This is primarily due to non-cash value adjustments resulting from the revaluation of the companies reclassified to discontinued operations, the deconsolidation of SMA as well as impairment losses resulting from impairment tests. At EUR 127.8 million (previous year: EUR 136.3 million), cash and cash equivalents remained at a solid level. As of 31 December 2022, net debt increased to EUR 593.5 million (previous year: EUR 504.2 million). The debt repayment period, i.e. the ratio of net debt to EBITDA (of the continuing operations), stood at 2.3 years, which was within the target range of 2 to 2.5 years (previous year: 2.0 years).

In line with the strategic focus on sustainability, INDUS uses the greenhouse gas emission intensity (GHG-E Scope 1+2) as a key control variable at Group level. In the past financial year, this emission intensity was reduced to 76 t CO<sub>2</sub>/million EUR GVA, down by approx. 19% on the previous year (94 t CO<sub>2</sub>/million EUR GVA).

Earnings per share of the continuing operations amounted to EUR 2.68 (previous year: EUR 3.68). Earnings per share of the continuing and discontinued operations stood at EUR -1.93 (previous year: EUR 1.78). In keeping with INDUS' long-term dividend policy and with a view to the expected positive performance of the Group following the adjustments made in 2022, the Board of Management and the Supervisory Board will propose a dividend of EUR 0.80 per share to the Annual Shareholders' Meeting on 17 May 2023 (previous year: EUR 1.05 per share). This corresponds to a dividend yield of 3.6% (previous year: 3.2%).

### **Positive outlook thanks to updated strategy**

"With our PARKOUR perform strategy update, which focuses on defined future fields in three new industrial engineering segments, we also have our mid-term goals until 2025 firmly in sight," says Dr. Johannes Schmidt. "We will continue to grow in what remains an uncertain market environment." By 2025 and despite the planned sale of the automotive series suppliers, INDUS aims to generate sales of well over EUR 2 billion and an EBIT margin of more than 10%. For the financial year 2023, the Board of Management projects growing sales of between EUR 1.9 billion and EUR 2.0 billion as well as earnings before interest and taxes (EBIT) of between EUR 145 million and EUR 165 million.

Click [here](#) for the full Annual Report of INDUS Holding AG. An overview of the key performance indicators is available [here](#). The INDUS Capital Markets Day for analysts, bank representatives and institutional investors will be held in Cologne on 24 March 2023.



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### **About INDUS Holding AG:**

Established in 1989 and headquartered in Bergisch Gladbach, INDUS Holding AG is a leading specialist for sustainable corporate development in the German-speaking SME sector. INDUS acquires two to three technology-oriented and promising industrial engineering companies for the Engineering, Infrastructure, and Materials segments annually. As a value-driven investment company with a clear focus on defined future fields, INDUS provides its operationally independent portfolio companies with active, long-term support in their corporate development, especially in the fields of innovation, market excellence, operational excellence, and sustainability. Since 1995, INDUS Holding AG has been listed in the Prime Standard of the Frankfurt Stock Exchange (DE0006200108); in 2022, the Group generated sales of 1.8 billion euros. For more information on INDUS, visit [www.indus.de](http://www.indus.de).