



Press Release

After repositioning: INDUS significantly increases sales and earnings in the first quarter of 2023

- **Sales and EBIT up 8.2%**
- **Forecast confirmed**

Bergisch Gladbach, 11 May 2023 – The INDUS Group portfolio companies clearly expanded their business in the first three months of 2023, when Group sales climbed 8.2% to EUR 450.8 million (previous year: EUR 416.5 million). Organic growth in sales amounted to 6.5%, while recent acquisitions contributed 1.7%. Operating income (EBIT) increased in line with sales to EUR 44.8 million (previous year: EUR 41.4 million). The EBIT margin stood at 9.9% (previous year: 9.9%).

“Our performance in the first quarter reflects the strength of our portfolio in the continuing operations,” says INDUS CEO Dr. Johannes Schmidt. “Despite the difficult economic environment, our 45 portfolio companies have made a good start to 2023.”

Following the decision to streamline the INDUS portfolio by removing the series suppliers to the automotive industry, SELZER, SCHÄFER and SMA (which had already been deconsolidated in the previous year), were reclassified to discontinued operations at the end of 2022. Compared to the same period of the previous year, the negative result of the discontinued operations improved by EUR 11.9 million to EUR -8.9 million (previous year: EUR -20.8 million). The Board of Management is in negotiations for the divestment of SELZER and SCHÄFER and is optimistic that the divestments will be completed before the end of 2023.

The Group's earnings after taxes rose to EUR 16.0 million in the first quarter (previous year: EUR 4.6 million). Earnings per share stood at EUR 0.60 (previous year: EUR 0.17). At EUR 0.93, the share of the continuing operations remained more or less at the previous year's level (EUR 0.94).

Operating cash flow rose to EUR 1.5 million (previous year: EUR -17.8 million). With supply chains easing and inflation slowing down, the portfolio companies were able to significantly reduce the typical seasonal increase in working capital compared to the first quarter of 2022. Free cash flow, which was introduced as an additional performance indicator in the context of the “PARKOUR perform” strategy update, amounted to EUR 7.5 million (previous year: EUR - 14.9 million). At 36.4%, the equity ratio stood almost at the same level as at the end of last year (36.3%).

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All three new segments increase sales

The companies in the Engineering segment increased their sales to EUR 147.1 million (previous year: EUR 120.4 million). This growth rate of 18.0% is the highest of all three segments. In addition to an organic growth of 12%, the new portfolio companies HEIBER + SCHROEDER and HELD contributed 6.0% to this growth. Operating income (EBIT) rose to EUR 15.6 million (previous year: EUR 14.2 million). As expected, the EBIT margin of 11.0% was slightly below the previous year's 11.8% due to depreciation and amortization in conjunction with the initial consolidation of HEIBER + SCHROEDER and HELD, but was at the upper end of the target range for the full year (9-11%).

As expected, sales in the Infrastructure segment increased only slightly (+1.4%) to EUR 141.5 million (previous year: EUR 139.5 million). While the slowdown in construction activity has dampened the boom of recent years for some of our portfolio companies in the housing construction sector, energy efficiency retrofits remain a clear growth driver. Operating income (EBIT) stood at EUR 10.7 million (previous year: EUR 16.1 million). The EBIT margin of 7.6% (previous year: 11.5%) is expected to increase to 10–12% in the course of the year. The acquisition of QUICK by INDUS portfolio company BETOMAX further strengthened the Infrastructure segment in the first three months of 2023. QUICK, a specialist for formwork and reinforcement accessories, complements the BETOMAX product portfolio and opens up new market opportunities, especially in the bridge construction sector.

Supported by broad-based organic growth, sales in the Materials segment rose by 6.6% to EUR 166.8 million (previous year: EUR 156.5 million). Operating income (EBIT) climbed to EUR 20.1 million (previous year: EUR 14.0 million). The companies in the segment have now been able to pass on the significant cost increases in 2022 in their sales prices. The EBIT margin of 12.1% (previous year: 8.9%) is unlikely to be maintained at this level for the rest of the year due to the expected price development of some raw materials. For the full year, the Board of Management expects an EBIT margin of between 6% and 8%.

Guidance confirmed – difficult operating environment already taken into account

“Our portfolio companies performed well in the first three months in what remains a challenging environment,” says Dr. Johannes Schmidt. “In the Infrastructure and Materials segment, we have already taken into account the more moderate construction activity and isolated material price increases in our forecast.”

For the full year 2023, the Board of Management continues to expect sales of between EUR 1.9 billion and EUR 2.0 billion and operating income (EBIT) of between EUR 145 million and EUR 165 million.



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The full interim report is available on the [INDUS website](#). An overview of the key performance indicators is available [here](#).

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 growth topics, INDUS provides its currently 45 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 around 1.8 billion euros. For more information on INDUS, visit www.indus.de.