

Quarterly statement 1/2023



Masterflex at a glance

in EUR Thousand	31.03.23	31.03.22	Change
Consolidated Revenue	27,633	23,903	15.6%
EBITDA	5,419	4,276	26.7%
EBIT (operational)	4,134	3,058	35.2%
EBIT	4,134	2,999	37.8%
EBT	3,878	2,815	37.8%
Financial result	-256	-125	104.8%
Consolidated result	3,423	2,109	62.3%
Consolidated earnings per share (EUR)	0.36	0.22	63.6%
EBIT margin (operational)	15.0%	12.8%	
Net return on revenue	12.4%	8.8%	
Employees (number)	619	573	8.0%

in EUR Thousand	31.03.23	31.12.22	Change
Consolidated equity	55,270	51,985	6.3%
Consolidated total assets	94,478	90,218	4.7%
Group equity ratio	58.5%	57.6%	

Masterflex with compelling start to the fiscal year 2023 – operational EBIT +35.2%

- Significant revenue and EBIT growth in the first quarter of 2023
- Consolidated revenue increased by 15.6% to EUR 27.6 million
- Consolidated operational EBIT at EUR 4.1 million 35.2% up year-on-year
- EBIT margin increased to 15.0% (3M/2022: 12.8%)
- Order backlog increased further in the first quarter

Report by the Management Board

Gelsenkirchen, 09 May 2023 - The Masterflex Group has made an excellent start to the 2023 financial year with another strong first quarter. The Group was able to continue its successful path from previous years and significantly increase revenue and earnings. In the first quarter of 2022, Masterflex generated revenue of EUR 27.6 million, compared to EUR 23.9 million in the same period of the previous year. This corresponds to a year-on-year increase in revenue of 15.6%.

Growth was driven by all markets and industries that Masterflex operates in. Particularly outstanding is the strong growth in the aviation business as well as the life science and semiconductor technology. In addition, the medical technology sector grew more strongly than the Group as a whole, resulting in an increase in the share of high-margin business in total revenue to 19% (3M/2022: 18%). From a regional perspective, Asia, the USA and Brazil stood out positively. In addition to volume effects, growth was driven by the higher price level due to successive price increases.

The order situation continues to be robust, with order intake showing an adequate development in the first quarter as well, resulting in an increase in the order backlog by EUR 1.4 million to EUR 24.2 million in the first quarter, compared to EUR 22.8 million as of December 31, 2022.

At EUR 4.1 million, consolidated operational EBIT was 35.2% higher in the first quarter of 2023 than in the previous year (3M/2022: EUR 3.1 million). This corresponds to an EBIT margin in the Group of 15.0% compared to 12.8% in the first quarter of 2022. The main reasons for the increased EBIT are the margin improvements due to the volume growth as well as the more favorable product mix. In addition, the increase in raw material, energy, and logistics costs as well as the sharp rise in wage and salary costs due to inflation were largely offset.

Dr Andreas Bastin, CEO of the Masterflex Group: „We had a highly dynamic start to the financial year. The first quarter underpins our ambition to expand the double-digit EBIT margin this year. In addition, the stable order backlog gives us confidence that the positive development will continue. Of course, we have to overcome particular challenges, such as the unpredictable development of the Ukraine war, shortages of raw materials, high inflation and rising interest rates, as well as the sharp increase in wage and salary costs. However, due to the solid start to the year and robust demand from customers, we are confident that we will achieve the targets set for 2023.“

Earnings Position

Rising costs offset by revenue growth

Revenues in the first quarter of 2023 increased by 15.6% year-on-year to EUR 27.6 million (3M/2022: EUR 23.9 million). The increase in revenue in the first quarter of 2023 was driven by both volume increases and also price increases (carry-over effect from 2022).

The cost side was primarily influenced by inflationary effects. In addition to the sharp increase in raw material and energy prices in the 2022 financial year, wage and salary costs rose significantly in the reporting period due to inflation. Nevertheless, it was possible to slightly reduce the personnel cost ratio (3M/2023: 33.1%; 3M/2022: 33.3%). Other operating expenses also increased by around EUR 0.9 million to EUR 4.5 million (3M/2022: EUR 3.6 million) due to higher energy and freight costs.

Overall, the positive margin effect from volume growth and product mix with a disproportionately low increase in personnel costs led to an increase in EBIT of EUR 1.0 million to EUR 4.1 million (3M/2022: EUR 3.1 million).

Net assets and financial position

Equity ratio continues to rise

The increase in the balance sheet total as of March 31, 2023 by EUR 4.3 million to EUR 94.5 million (December 31, 2022: EUR 90.2 million) was mainly due to an increase in inventories on the assets side by EUR 1.7 million to EUR 23.0 million (December 31, 2022: EUR 21.3 million) and the increase in trade accounts receivable by EUR 3.1 million to EUR 11.8 million (December 31, 2022: EUR 8.8 million) with a simultaneous decrease in cash and bank balances by EUR 1.5 million to EUR 8.2 million as of March 31, 2023 (December 31, 2022: EUR 9.7 million). Cash and cash equivalents decreased in the three-month period due to the build-up of working capital and payments of royalties, bonuses and insurance premiums.

Consolidated equity amounted to EUR 55.3 million as of March 31, 2023, compared to EUR 52.0 million as of December 31, 2022. Despite a simultaneous expansion of total assets, the Group's equity ratio increased from 57.6% as of December 31, 2022 to 58.5% as of March 31, 2023.

Net debt increased by EUR 1.2 million to Euro 18.0 million compared to 31 December 2022 (December 31, 2022: EUR 16.8 million) mainly due to the decrease in cash and cash equivalents.

Cash flow from operating activities in the first quarter of 2023 was marginally positive and was characterized by the build-up of inventories and the increase in trade receivables (3M/2023: EUR 0.4 million; 3M/2022: EUR -0.8 million). In addition, slightly higher fixed assets were invested in the first quarter compared to the same quarter of the previous year (3M/2023: EUR 1.5 million; 3M/2022: EUR 1.4 million). These effects mainly led to a reduction in cash and cash equivalents from EUR 9.7 million at the beginning of the period to EUR 8.2 million at the end of the period.

Outlook

Outlook 2023 confirmed

In view of the very good development in the first quarter and subject to no significant worsening of the situation in the Ukraine war, in the supply of raw materials or a substantial inflation-related disadvantageous increase in input as well as wage and salary costs, the Masterflex Group reaffirms the forecast for 2023. The Management expects an increase in revenue to between EUR 103 million and EUR 110 million in the 2023 financial year. At the same time, the operating EBIT is expected to be between EUR 11.0 and 14.0 million.

Consolidated Statement of Financial Position

Assets in EUR thousand	31.03.2023*	31.12.2022
Non-current assets		
Intangible assets	13,247	13,207
Licenses, industrial property rights	1,412	1,473
Development costs	2,114	2,030
Goodwill	9,187	9,187
Advance payments	534	517
Property, plant and equipment	36,084	35,929
Land and buildings	20,339	20,461
Technical equipment and machinery	11,794	11,827
Other equipment, operating and office equipment	2,864	2,870
Advance payments and assets under construction	1,087	771
Financial assets	90	87
Investment securities	90	87
Other assets	169	252
Deferred taxes	47	44
	49,637	49,519
Current assets		
Inventories	22,973	21,274
Raw materials consumables and supplies	13,759	12,363
Unfinished goods and services	483	480
Finished products and goods	8,730	8,382
Advance payments	1	49
Receivables and other assets	13,598	9,642
Trade receivables	11,849	8,767
Other assets	1,749	875
Income tax assets	47	37
Cash and bank balances	8,223	9,746
	44,841	40,699
Total assets	94,478	90,218

* unaudited

Consolidated Statement on Financial Position

Liabilities in EUR thousand	31.03.2023*	31.12.2022
Equity		
Consolidated equity	54,884	51,613
Issued capital	9,618	9,618
Capital reserve	31,306	31,306
Retained earnings	14,468	11,339
Reserve for the market valuation of financial instruments	-617	-620
Reserve for the market valuation of hedging instruments	137	172
Currency differences	-28	-202
Non-controlling interests	386	372
Total equity	55,270	51,985
Non-current liabilities		
Provisions	347	347
Financial liabilities	23,618	24,091
Other liabilities	661	661
Deferred taxes	982	989
	25,608	26,088
Current liabilities		
Provisions	157	145
Financial liabilities	2,647	2,495
Income tax liabilities	1,718	1,879
Other liabilities	9,078	7,626
Trade payables	4,481	2,368
Other liabilities	4,597	5,258
	13,600	12,145
Total liabilities and shareholders' equity	94,478	90,218

* unaudited

Consolidated Statement of Income

	01.01.-31.03.23*	01.01.-31.03.22*
	EUR thousand	EUR thousand
1. Revenue	27,633	23,903
2. Increase in inventories of finished goods and unfinished goods	158	7
3. Other own work capitalized	0	18
4. Other income	248	135
Operating performance	28,039	24,063
5. Cost of materials	-8,941	-8,198
6. Personnel expenses	-9,156	-8,022
7. Depreciation and amortization	-1,285	-1,218
8. Other expenses	-4,523	-3,626
9. Financial result		
Finance expenses	-257	-125
Other financial result	1	0
10. Earnings before taxes	3,878	2,874
11. Income taxes	-441	-755
12. Consolidated result	3,437	2,119
thereof: non-controlling interests	14	10
thereof: share of shareholders of Masterflex SE	3,423	2,109
Earnings per share (undiluted and diluted)	0.36	0.22

* unaudited

Consolidated Statement of Comprehensive Income

	01.01.-31.03.23*	01.01.-31.03.22*
	EUR thousand	EUR thousand
Consolidated result	3,437	2,119
Other income		
Items that are subsequently reclassified to profit or loss if certain conditions are met		
1. Currency gains/losses from the translation of foreign financial statements	-120	116
2. Changes in the fair value of financial instruments	3	-1
3. Changes in the fair value of hedging instruments	-49	17
4. Income taxes	14	-5
5. Other income after taxes	-152	127
6. Comprehensive income	3,285	2,246
Comprehensive income:	3,285	2,246
thereof: non-controlling interests	14	10
thereof: share of shareholders of Masterflex SE	3,271	2,236

* unaudited

Consolidated Cash Flow Statement

in EUR thousand	31.03.2023*	31.03.2022*
Result for the period before taxes, interest expense and financial income	4,120	2,989
Income tax expenses	-639	-266
Depreciation and amortization of property, plant and equipment and intangible assets	1,285	1,218
Increase/Decrease in provisions	12	-41
Other non-cash expenses and gain on disposal of non-current assets	14	-8
Increase/decrease in inventories	-1,699	-1,317
Increase in trade receivables and other assets not attributable to investing or financing activities	-3,726	-4,884
Increase in trade accounts payable and other liabilities not attributable to investing or financing activities	989	1,558
Cash flow from operating activities	356	-751
Payments for investments in non-current assets	-1,502	-1,432
Cash flow from investing activities	-1,502	-1,432
Interest and dividend income	0	0
Interest payments	-218	-98
Proceeds from borrowings	0	0
Payments for lease liabilities	-333	-276
Payments for the repayment of loans	0	0
Cash flow from financing activities	-551	-374
Cash-effective changes in cash and cash equivalents	-1,697	-2,557
Changes in cash and cash equivalents due to exchange rates and other changes in value	174	111
Cash and cash equivalents at the beginning of the period	9,746	9,550
Cash and cash equivalents at the end of the period	8,223	7,104

* unaudited

Consolidated statement of changes in equity

Development of Group equity	Subscribed capital	Capital reserve	Retained earnings	Reserve for the market valuation of financial instruments	Reserve for hedging transactions	Currency differences	Shares of shareholders of Masterflex SE	Non-controlling interests	Equity
in EUR thousand									
Equity as of 31.12.2021	9,618	31,306	4,654	-595	25	-353	44,655	322	44,977
Comprehensive income	0	0	2,108	-1	17	111	2,235	10	2,245
Consolidated result	0	0	2,108	0	0	0	2,108	10	2,118
Other income after income taxes	0	0	0	-1	17	111	127	0	127
Changes in the fair value of financial instruments	0	0	0	-1	0	0	-1	0	-1
Changes in the fair value of hedging instruments	0	0	0	0	17	0	17	0	17
Currency gains/losses from the translation of foreign financial statements	0	0	0	0	0	116	116	0	116
Income taxes on other comprehensive income	0	0	0	0	0	-5	-5	0	-5
Equity as of 31.03.2022	9,618	31,306	6,762	-596	42	-242	46,890	332	47,222
Equity as of 31.12.2022	9,618	31,306	11,339	-620	172	-202	51,613	372	51,985
Comprehensive income	0	0	3,129	3	-35	174	3,271	14	3,285
Consolidated result	0	0	3,423	0	0	0	3,423	14	3,437
Other income after income taxes	0	0	-294	3	-35	174	-152	0	-152
Changes in the fair value of financial instruments	0	0	0	3	0	0	3	0	3
Changes in the market value of hedging instruments	0	0	0	0	-49	0	-49	0	-49
Currency gains/losses from the translation of foreign financial statements	0	0	-294	0	0	174	-120	0	-120
Income taxes on other comprehensive income	0	0	0	0	14	0	14	0	14
Equity as of 31.03.2023	9,618	31,306	14,468	-617	137	-28	54,844	386	55,270

Share information

Stock exchange symbol	MZX
GSIN	549293
ISIN	DE0005492938
Stock Exchange	Frankfurt, FWB
Stock exchange segment	Prime Standard
Total number of shares	9,752,460 pieces
Shares outstanding	9,618,334 pieces
Own shares	134,126 shares
Dividend FY 2022	EUR 0.20
Designated Sponsor	ICF Bank AG

Investor Relations

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Forward-looking statements

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