

# Financial Statement Q3 2023



## 5.3% revenue growth in first nine months with significant 19.0% increase in EBIT

Q1-Q3		Q1-Q3 2023	Q1-Q3 2022	Change	
				absolute	in %
Revenue	€m	356.7	338.6	18.1	5.3
EBIT	€m	26.9	22.6	4.3	19.0
EBIT margin	%	7.5	6.7	0.8	–
EBT	€m	24.2	22.1	2.1	9.5
Net income	€m	16.9	14.8	2.1	14.2
Number of shares in circulation	units	13,382,324	13,382,324	0	0
Earnings per share	€	1.26	1.10	0.16	14.2
Free cash flow	€m	26.8	7.6	19.2	252.6
Capital expenditure	€m	13.5	4.0	9.5	237.5
Equity ratio	%	26.7	27.0	–0.3	–
Employees at reporting date	people	1,767	1,823	–56	–3.1

### ■ Revenue increased in all product segments and all regions

WashTec generated revenue of €356.7m in the first nine months, once again a new record and a significant 5.3% increase in revenue compared to the prior year (€338.6m). In addition to the implemented price increases, this reflected growth in the key account business and especially chemicals.

### ■ Significant increase in EBIT

As a result of the revenue growth and active cost management, EBIT in the first nine months was €26.9m, significantly higher than in the prior year (€22.6m). The EBIT margin improved to 7.5% (prior year: 6.7%).

### ■ Significant improvement in free cash flow

Free cash flow increased to €26.8m in the first nine months (prior year: €7.6m) as a result of higher earnings before taxes and improved net operating working capital. This positive outcome was achieved despite the €9.5m acquisition of the site occupied by the American subsidiary.

### ■ Guidance for full year 2023

The WashTec Group confirms its guidance for fiscal year 2023.

*Figures in this report are rounded. Because of this, individual figures may not add up to the stated totals and percentages may not precisely correspond to the absolute figures they relate to.*

## 1.5% revenue growth in third quarter with significant 18.6% increase in EBIT

Q3		Q3 2023	Q3 2022	Change	
				absolute	in %
Revenue	€m	120.4	118.6	1.8	1.5
EBIT	€m	11.5	9.7	1.8	18.6
EBIT margin	%	9.6	8.2	1.4	–
EBT	€m	10.2	9.6	0.6	6.3
Net income	€m	7.2	6.7	0.5	7.5
Number of shares in circulation	units	13,382,324	13,382,324	0	0
Earnings per share	€	0.54	0.50	0.04	7.5

### ■ Revenue growth continued in third quarter

With revenue of €120.4m, WashTec also set a new record for a third quarter (prior year: €118.6m). The revenue performance primarily related to the direct sales business in Europe combined with disproportionately strong growth in the chemicals business.

### ■ Significant improvement in EBIT

WashTec achieved a significant 18.6% increase in EBIT to €11.5m in the third quarter (prior year: €9.7m) due to the successful implementation of the efficiency programs in the North America region. The EBIT margin increased to 9.6% (prior year: 8.2%), which is higher than both the prior-year quarter and the first two quarters of 2023.

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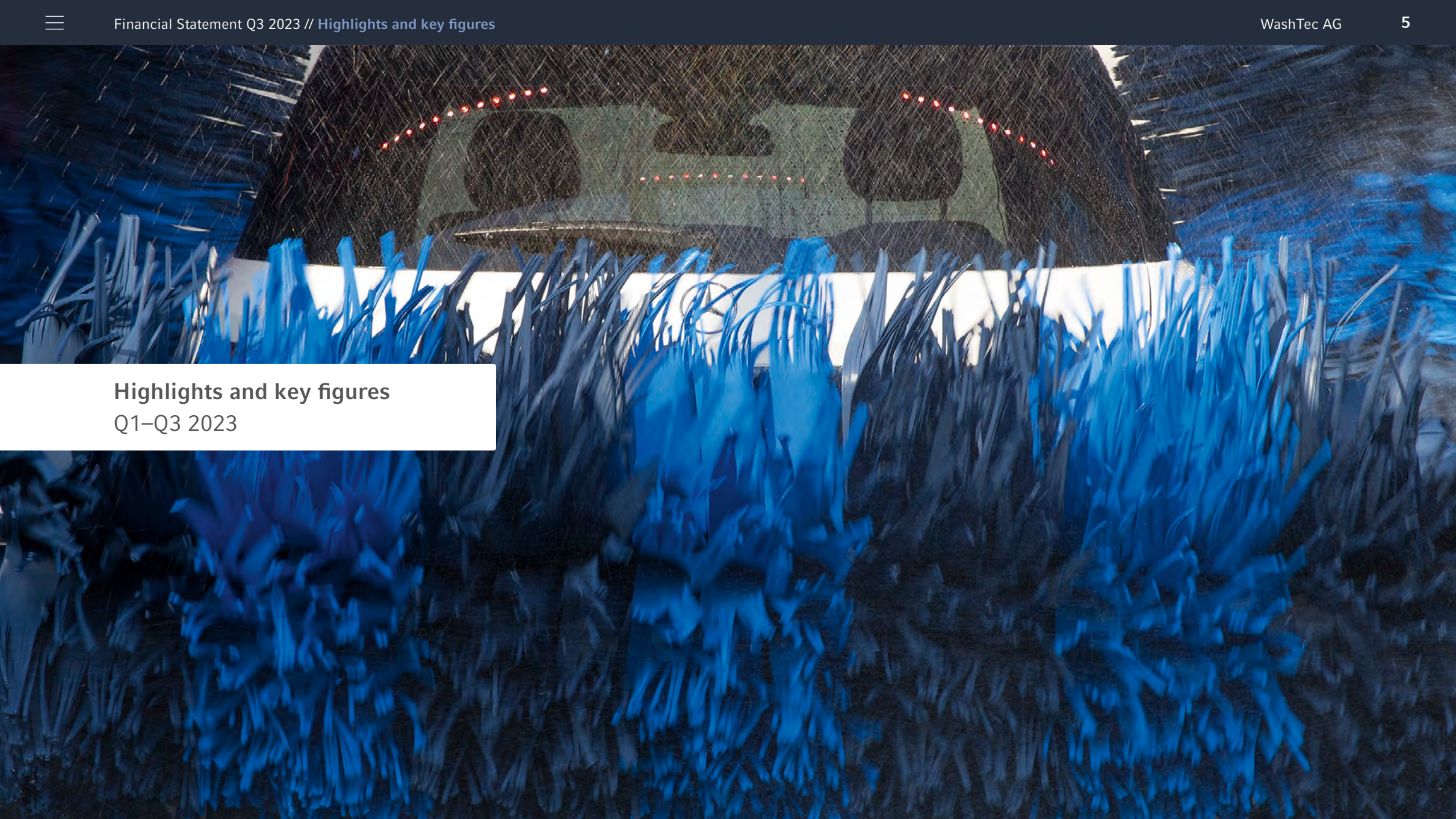
### Quarterly Statement for the period January 1 to September 30, 2023

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**Highlights and key figures**  
Q1–Q3 2023

## Business performance

### Earnings, Q1–Q3

in €m	Q1–Q3 2023	Q1–Q3 2022	Change	
			absolute	in %
Revenue	356.7	338.6	18.1	5.3
EBIT	26.9	22.6	4.3	19.0
EBIT margin in %	7.5	6.7	0.8	–
EBT	24.2	22.1	2.1	9.5
Net income	16.9	14.8	2.1	14.2

### Earnings, Q3

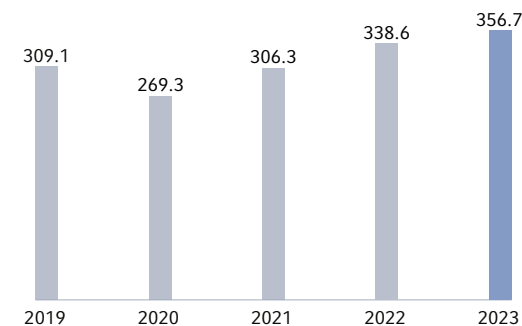
in €m	Q3 2023	Q3 2022	Change	
			absolute	in %
Revenue	120.4	118.6	1.8	1.5
EBIT	11.5	9.7	1.8	18.6
EBIT margin in %	9.6	8.2	1.4	–
EBT	10.2	9.6	0.6	6.3
Net income	7.2	6.7	0.5	7.5

## 1. Group revenue and earnings

**Orders received** in the first nine months were significantly down year on year due to the drop in demand in the market as a whole. Due to the lower orders received, the **order backlog** was significantly smaller at the end of September 2023 than a year earlier. It should be noted that the order backlog in the prior year was significantly inflated by a number of orders that had been brought forward. The order backlog is at a high level overall compared to the long-term average.

The WashTec Group generated **revenue** of €356.7m in the nine months to September 30, 2023, an increase of €18.1m or 5.3% on the prior year (€338.6m). This is a new record for the first nine months of a fiscal year. At constant exchange rates, the year-on-year revenue growth was 7.2%.

### Revenue Q1–Q3 in multi-year comparison in €m



Equipment and service revenue increased compared to the first nine months of the prior year as a result of the price increases implemented in response to material price rises, particularly last year. The growth was mainly driven by key account business, while direct sales business was level with the prior year. Chemicals revenue also developed very positively in the first nine months, increasing by 17.7% year on year, mainly as a result of newly acquired customers. This made it possible to achieve significant revenue growth despite a mainly weather-related fall in carwash volumes.

#### Revenue by product, Q1–Q3

in €m	Q1–Q3 2023	Q1–Q3 2022	Change	
			absolute	in %
Equipment and service	301.5	290.9	10.6	3.6
Chemicals	51.2	43.5	7.7	17.7
Other	4.0	4.2	–0.2	–4.8
<b>Total</b>	<b>356.7</b>	<b>338.6</b>	<b>18.1</b>	<b>5.3</b>

#### Revenue by product, Q3

in €m	Q3 2023	Q3 2022	Change	
			absolute	in %
Equipment and service	104.6	105.4	–0.8	–0.8
Chemicals	14.5	12.0	2.5	20.8
Other	1.3	1.2	0.1	8.3
<b>Total</b>	<b>120.4</b>	<b>118.6</b>	<b>1.8</b>	<b>1.5</b>

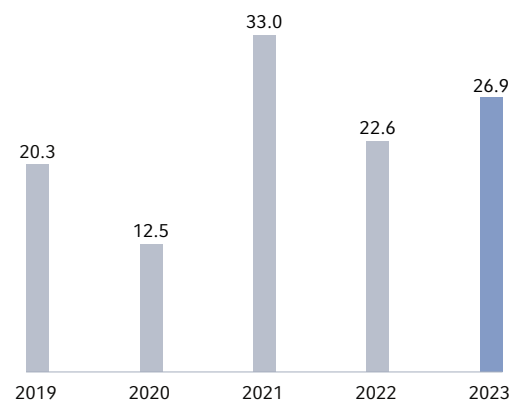
Third-quarter revenue was stable and, at €120.4m, on the same level as the prior year (€118.6m). The sales trend varied from region to region. In Europe, revenue increased significantly year on year, mainly due to the continued growth in the chemicals business and higher direct sales revenue compared to the prior year. Revenue in North America was below the level of the prior year, partly due to the lower volume of key account business. In the Asia/Pacific region, revenue remained stable.

Mainly due to the higher revenue, **gross profit** was up on the prior year (€91.8m) at €97.6m in the nine months to September. The gross profit margin increased slightly from 27.1% to 27.4%. In the third quarter, both gross profit and the gross profit margin increased compared to the prior-year quarter as a result of the implemented price increases. The gross profit margin also improved compared to the second quarter, rising from 27.8% to 28.7%.

**Functional costs** – the sum of research and development expenses, selling expenses and administrative expenses – amounted to €70.8m in the first nine months of the fiscal year (prior year: €71.1m) and thus, as a result of active cost management, remained stable despite the higher revenue. Research and development expenses were at the same level as the prior year. Selling expenses as a percentage of revenue fell from 13.7% in the prior year to 13.1%. Administrative expenses were lower than the prior year at €13.4m (prior year: €14.0m). As a percentage of revenue, administrative expenses fell slightly from 4.1% to 3.8%. The decrease in other income and expenses to €0.1m (prior year: €1.9m) was mainly due to lower proceeds from scrap sales and to the measurement effects on foreign currency receivables and payables.

In total, Group **EBIT** increased in the first nine months to €26.9m (prior year: €22.6m). The EBIT margin was 7.5% (prior year: 6.7%). In the third quarter, the EBIT of €11.5m (prior year: €9.7m) and the EBIT margin of 9.6% (prior year: 8.2%) were likewise significantly higher than in the prior year. Relative to the preceding quarter, the EBIT margin improved by 1.8%.

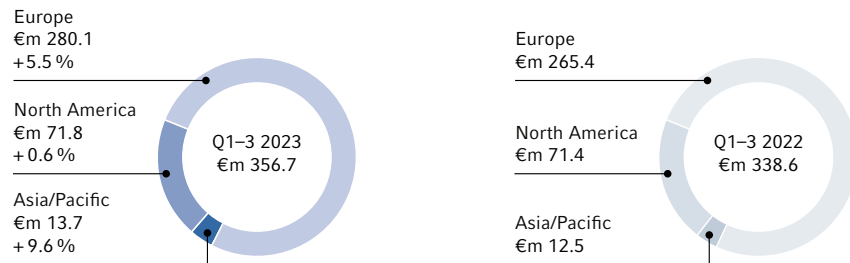
EBIT Q1–Q3 in multi-year comparison in €m





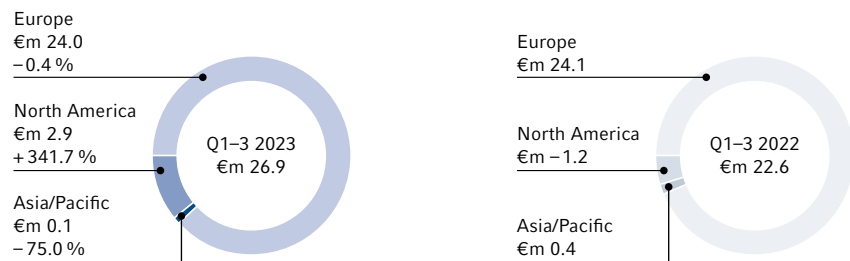
## 2. Revenue and earnings by region

### Revenue by regions in €m\*



\* cross-segment consolidation effects are disregarded  
Percentage change from comparative period

### EBIT by regions in €m\*



\* cross-segment consolidation effects are disregarded  
Percentage change from comparative period

In the **Europe** region, revenue rose by 5.5% in the first nine months, from €265.4m to €280.1m. The revenue growth cut across all product groups, with the chemicals business developing especially positively with double-digit growth compared to the prior year. Third-quarter equipment and service revenue was slightly higher than in the prior year for pricing reasons. The chemicals business showed double-digit growth due to newly acquired customers. In both the first nine months and the third quarter, direct sales predominated, while key account business decreased.

Revenue in **North America**, at €71.8m in the first nine months, was slightly up by 0.6% on the prior year (€71.4m), mainly due to key account business. In US dollar terms, revenue increased by 2.9%. Third-quarter revenue decreased by 15.6% year on year. The decline in US dollar terms was 9.3% and was partly due to a lower volume of business with key accounts, primarily because of the installation of relatively large orders being postponed to the fourth quarter.

In the **Asia/Pacific** region, revenue increased significantly by 9.6% in the first nine months to €13.7m (prior year: €12.5m), while third-quarter revenue was stable relative to the prior year.

### Revenue by regions, Q1-Q3

in €m	Q1-Q3 2023	Q1-Q3 2022	Change	
			absolute	in %
Europe	280.1	265.4	14.7	5.5
North America	71.8	71.4	0.4	0.6
Asia/Pacific	13.7	12.5	1.2	9.6
Consolidation	-8.8	-10.8	2.0	-
<b>Total</b>	<b>356.7</b>	<b>338.6</b>	<b>18.1</b>	<b>5.3</b>

**Revenue by regions, Q3**

in €m	Q3 2023	Q3 2022	Change	
			absolute	in %
Europe	95.7	90.6	5.1	5.6
North America	23.3	27.6	-4.3	-15.6
Asia/Pacific	4.8	4.7	0.1	2.1
Consolidation	-3.3	-4.3	1.0	-
<b>Total</b>	<b>120.4</b>	<b>118.6</b>	<b>1.8</b>	<b>1.5</b>

EBIT in the **Europe** region, at €24.0m in the nine months to September, was on the same level as the prior year (€24.1m). Third-quarter EBIT came to €9.8m, as in the prior year. Compared to the second quarter, the EBIT margin increased significantly from 8.5% to 10.2%.

EBIT in the first nine months in the **North America** region, at €2.9m, was up significantly on the prior year (€-1.2m). The third quarter likewise showed a significant improvement in earnings to €1.6m (prior year: breakeven). This positive development mainly reflected the effects of the efficiency programs launched in the first quarter.

The **Asia/Pacific** region generated positive EBIT of €0.1m in the first nine months (prior year: €0.4m). After a breakeven result in the second quarter, third-quarter EBIT in the region was positive at €0.3m.

**EBIT by regions, Q1-Q3**

in €m	Q1-Q3 2023	Q1-Q3 2022	Change	
			absolute	in %
Europe	24.0	24.1	-0.1	-0.4
North America	2.9	-1.2	4.1	341.7
Asia/Pacific	0.1	0.4	-0.3	-75.0
Consolidation	-0.1	-0.6	0.5	-
<b>Total</b>	<b>26.9</b>	<b>22.6</b>	<b>4.3</b>	<b>19.0</b>

**EBIT by regions, Q3**

in €m	Q3 2023	Q3 2022	Change	
			absolute	in %
Europe	9.8	9.8	0.0	0.0
North America	1.6	0.0	1.6	-
Asia/Pacific	0.3	-0.1	0.4	400.0
Consolidation	-0.2	0.0	-0.2	-
<b>Total</b>	<b>11.5</b>	<b>9.7</b>	<b>1.8</b>	<b>18.6</b>

### 3. Group financial position and cash flows

**Net operating working capital** (trade receivables + inventories – trade payables – prepayments on orders) decreased relative to December 31, 2022, falling €13.1m or 12.5% from €105.1m to €92.0m. Relative to September of the prior year, the figure fell by €12.5m (prior year: €104.5m). The decrease compared to the year-end is mainly attributable to the lower level of trade receivables following the record revenue in the fourth quarter of 2022. Inventories were also reduced by €2.2m compared to the end of December 2022. Relative to September of the prior year, inventories were reduced by €16.0m or 18.7%.

**Equity** decreased, mainly due to the €29.4m dividend payout, to €75.8m as of September 30, 2023 (December 31, 2022: €88.1m). Compared to the 2022 year-end, the equity ratio went down from 31.0% to 26.7%. The equity ratio decreased by 0.3% relative to September of the prior year (prior year: 27.0%).

The **cash inflow from operating activities** increased significantly in the nine months to September to €40.3m (prior year: €11.6m), mainly due to the higher earnings before taxes and the improvement in net operating working capital.

The **cash outflow from investing activities**, at €13.5m in the first nine months, was €9.5m higher than in the prior year (€4.0m). The increase in the cash outflow is mainly due to the acquisition of the site occupied by the US subsidiary. This was purchased effective January 2, 2023 following the termination of the previous lease agreement. The purchase price was USD10.3m. This was financed by long-term, five-year US dollar bank loans in the same amount.

**Free cash flow** (cash inflow from operating activities – cash outflow from investing activities) increased to €26.8m (prior year: €7.6m).

The **balance of cash inflow and outflow from financing activities** amounted to €30.0m (prior year: €46.0m). The cash outflow was €39.8m (prior year: €46.1m) and mainly consisted of the dividend payout of €29.4m (prior year: 38.8m) and the repayment of lease liabilities. That was offset in the first nine months by a €9.8m cash inflow mainly from taking out interest-bearing loans.

**Cash funds** decreased compared to December 31, 2022 from €–27.1m to €–30.3m, mainly due to the large cash outflow from investing and financing activities.

### 4. Outlook

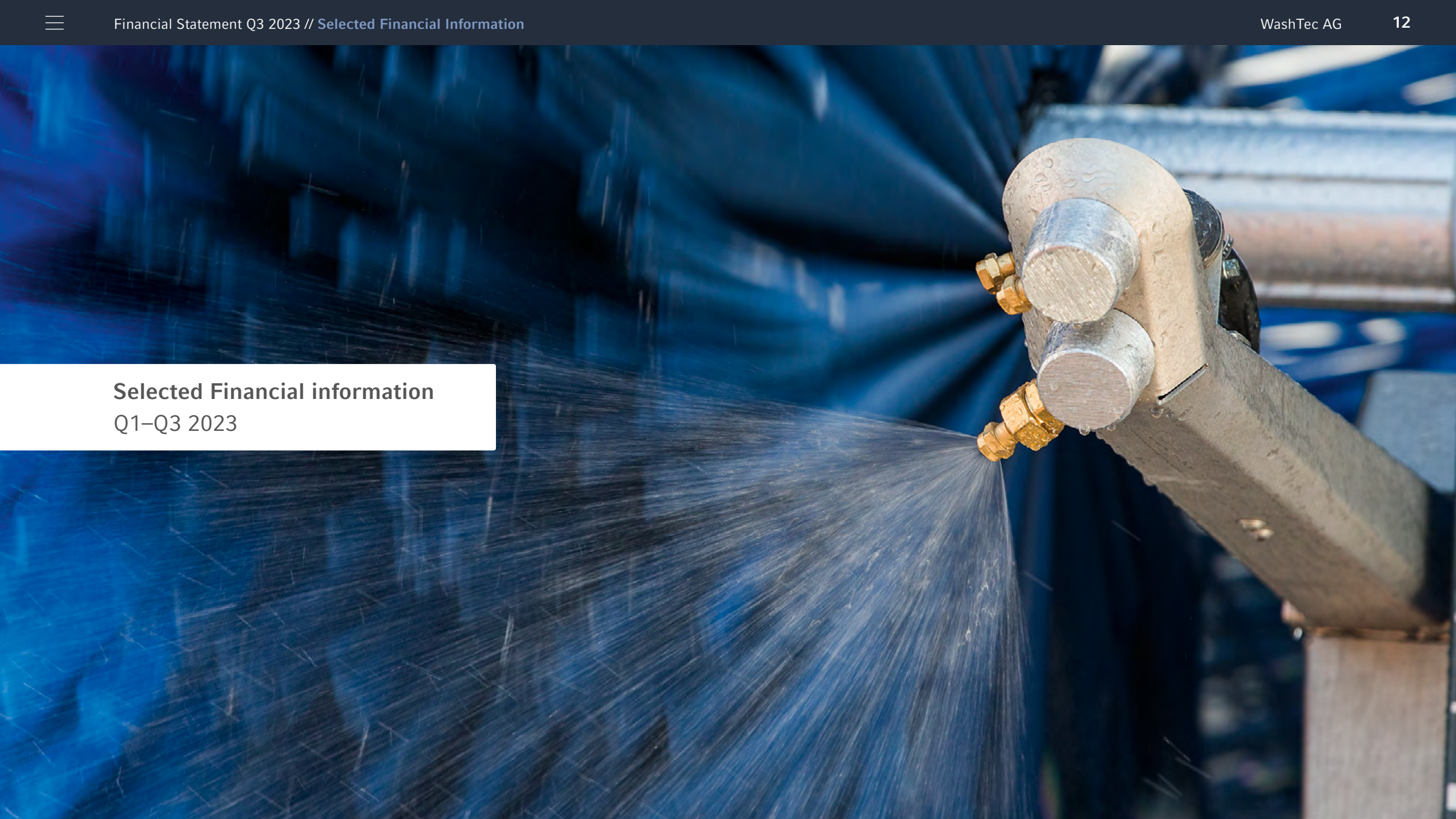
#### Guidance

The WashTec Group confirms the guidance for fiscal year 2023 and expects an increase in EBIT by around 10%.

This guidance is fundamentally subject to uncertainties. These may result, for example, from a possible escalation of the conflicts in Ukraine and the Middle East, a significant deterioration of economic conditions in key sales markets, or additional burdens from structural adjustments.

#### Opportunities and risks

The WashTec Group's opportunity and risk management system is described in the Annual Report 2022. Individual risks were adjusted as of June 30, 2023. Details on this can be found in the Report on the First Half Year 2023 (page 15). As of September 30, 2023, there has been no significant change either in the risks described in the Annual Report 2022 or in the adjusted risks as of June 30, 2023.

A close-up photograph of a high-pressure water spray nozzle. The nozzle is made of metal and is spraying a powerful stream of water. The background is a blurred blue tarp. The water spray is captured in motion, creating a sense of dynamic energy.

**Selected Financial information**  
Q1-Q3 2023

## Consolidated Income Statement

in €k	Q1–Q3 2023	Q1–Q3 2022	Q3 2023	Q3 2022
Revenue	356,667	338,561	120,419	118,611
Cost of sales	-259,022	-246,743	-85,894	-86,126
<b>Gross profit</b>	<b>97,645</b>	<b>91,818</b>	<b>34,526</b>	<b>32,485</b>
Research and development expenses	-10,541	-10,576	-3,551	-3,446
Selling expenses	-46,845	-46,472	-14,919	-15,391
Administrative expenses	-13,427	-14,047	-4,403	-4,417
Other income	3,404	5,697	659	1,502
Other expenses	-3,324	-3,816	-776	-1,025
<b>Earnings before interest and taxes (EBIT)</b>	<b>26,913</b>	<b>22,604</b>	<b>11,535</b>	<b>9,707</b>
Financial income	138	63	44	53
Financial expenses	-2,837	-547	-1,353	-201
<b>Financial result</b>	<b>-2,699</b>	<b>-484</b>	<b>-1,309</b>	<b>-148</b>
<b>Earnings before taxes (EBT)</b>	<b>24,214</b>	<b>22,120</b>	<b>10,225</b>	<b>9,559</b>
Income taxes	-7,357	-7,342	-3,007	-2,851
<b>Net income</b>	<b>16,857</b>	<b>14,778</b>	<b>7,219</b>	<b>6,708</b>
<b>Average number of shares in units</b>	<b>13,382,324</b>	<b>13,382,324</b>	<b>13,382,324</b>	<b>13,382,324</b>
<b>Earnings per share (basic = diluted) in €</b>	<b>1.26</b>	<b>1.10</b>	<b>0.54</b>	<b>0.50</b>

## Consolidated Balance Sheet Assets

in €k	Sep 30, 2023	Dec 31, 2022
Property, plant and equipment	34,417	25,268
Goodwill	42,312	42,312
Intangible assets	6,900	7,032
Right-of-use assets	14,554	17,337
Non-current trade receivables	2,809	3,430
Other non-current financial assets	203	277
Other non-current non-financial assets	647	538
Deferred tax assets	4,758	3,856
<b>Non-current assets</b>	<b>106,599</b>	<b>100,051</b>
Inventories	69,385	71,647
Current trade receivables	71,261	78,801
Tax receivables	14,520	16,028
Other current financial assets	2,068	1,486
Other current non-financial assets	4,323	2,255
Cash and cash equivalents	16,194	14,215
<b>Current assets</b>	<b>177,751</b>	<b>184,432</b>
<b>Assets</b>	<b>284,350</b>	<b>284,483</b>

## Consolidated Balance Sheet Equity and Liabilities

in €k	Sep 30, 2023	Dec 31, 2022
Subscribed capital	40,000	40,000
Capital reserves	36,463	36,463
Treasury shares	-13,177	-13,177
Other reserves and currency translation effects	-2,657	-2,942
Profit carried forward	-1,660	1,426
Net income	16,857	26,355
<b>Equity</b>	<b>75,827</b>	<b>88,125</b>
Non-current interest-bearing loans	6,419	0
Non-current lease liabilities	8,333	10,166
Provisions for pensions	8,371	8,528
Other non-current provisions	2,828	3,199
Other non-current financial liabilities	83	168
Other non-current non-financial liabilities	1,713	1,522
Non-current contract liabilities	1,415	1,738
Deferred tax liabilities	1,953	1,600
<b>Non-current liabilities</b>	<b>31,114</b>	<b>26,920</b>
Current interest-bearing loans	48,276	41,362
Current lease liabilities	7,156	7,936
Trade payables	24,800	22,711
Income tax liabilities	3,441	7,514
Other current financial liabilities	22,917	20,597
Other current non-financial liabilities	26,598	25,606
Other current provisions	9,262	9,087
Current contract liabilities	34,958	34,625
<b>Current liabilities</b>	<b>177,408</b>	<b>169,437</b>
<b>Equity and liabilities</b>	<b>284,350</b>	<b>284,483</b>

## Consolidated Cash Flow Statement

in €k	Q1–Q3 2023	Q1–Q3 2022
<b>Earnings before taxes (EBT)</b>	<b>24,214</b>	22,120
Amortization, depreciation and impairment	10,930	10,875
Gain/loss from disposals of non-current assets	–58	–410
Other gains/losses	–2,373	–1,842
Financial income	–138	–63
Financial expenses	2,837	547
Movements in provisions	–228	–2,357
Income tax paid	–10,550	–2,566
<b>Gross cash flow</b>	<b>24,634</b>	26,304
Increase/decrease in trade receivables	7,511	3,591
Increase/decrease in inventories	2,147	–26,129
Increase/decrease in trade payables	2,101	7,379
Increase/decrease in prepayments on orders	827	–386
<b>Increase/decrease in net operating working capital</b>	<b>12,585</b>	–15,546
Changes in other net working capital	3,049	846
<b>Net cash inflow from operating activities</b>	<b>40,268</b>	11,604
Purchase of property, plant and equipment (without leases)	–13,622	–4,533
Proceeds from sale of property, plant and equipment	167	505
<b>Net cash outflow from investing activities</b>	<b>–13,455</b>	–4,028
<b>Free cash flow</b>	<b>26,813</b>	7,576
Assumption of interest-bearing loans	9,720	0
Repayment of interest-bearing loans	–1,525	0
Dividend paid	–29,441	–38,809
Interest received	99	63
Interest paid	–2,558	–547
Repayment of lease liabilities	–6,306	–6,756
<b>Net cash outflow from financing activities</b>	<b>–30,011</b>	–46,049
<b>Net increase/decrease in cash funds</b>	<b>–3,198</b>	–38,473
<b>Net foreign exchange difference</b>	<b>39</b>	1,678
<b>Cash funds at January 1</b>	<b>–27,147</b>	4,538
<b>Cash funds at September 30</b>	<b>–30,306</b>	–32,258





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**Financial Calendar**

Nov 27–29, 2023      Equity Forum, Frankfurt