

KATEK

Lead the category

MEMBER OF PRIMEPULSE

Quarterly Statement Q1 As at 31 March 2023



At a glance

Group key figures (EUR k)

	YTD Mar/2023	YTD Mar/2022
Revenue	200,245	158,427
Gross profit	55,867	43,773
EBITDA	6,611	5,101 **
Marge EBITDA*	3.3%	3.1% **
EBIT	442	- 268 **
EBITDA adj.	6,764	9,251 **
Net profit or loss of the Group	8	- 741
	31 Mar 2023	31 Dec 2022
Total Assets	517,623	502,097
Equity	164,983	164,963
Equity ratio	31.9%	32.9%

* in % of total operating performance

** Change in the presentation of the currency translation as of 31 december, 2022, for more details please refer to the Annual Report 2022. Numbers as of 31 march 2022 before the adjustment amounted to: EBITDA: EUR 5,506k, Marge EBITDA: 3.4 %, EBIT: EUR 138k, EBITDA adj.: EUR 9,656k

KATEK Highlights



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1. Quarter 2023

Report of the Management Board

Operational business development

KATEK was able to continue the strong growth from the previous year unabated in the 1st quarter of 2023 and make a dynamic start to the 2023 financial year. At over EUR 200 million, revenues were 26.4% higher than in the same period of the previous year.

Around two-thirds of this is again attributable to organic growth from current business. In particular, this is attributable to the momentum generated by the businesses that we have combined under the Systems & Products (S&P) segment since 2022. With a growth of almost +43.0% year-over-year, this segment made an above-average contribution to the increase in revenues. As a result, the S&P segment now accounts for almost a quarter of the KATEK Group's business in Q1 2023. The Solar & Renewables sub-segment made a disproportionate contribution to this success with 52.0% growth compared to the same quarter of the previous year.

The other third of the growth is due to the consolidation of SigmaPoint, the future KATEK Canada, acquired in August 2022.

A very positive trend can also be seen in the development of margins: At EUR 55.9 million, gross profit is around 27.6% higher than in the same period of the previous year, and the percentage margin compared to fiscal year 2022 is also starting to improve slightly: From 26.4% to 27.6%. Here, the implementation successes of the operational measures (e.g. price enforcement with customers) are increasingly taking effect and are now reflected in the figures. KATEK was also able to close the period

with a positive result and thus achieve a significant increase in net profit of the group compared with the same period of the previous year. This will continue in the further course of the year.

The development of working capital is also extremely positive. KATEK was able to continue the reduction of inventories started in Q4 2022 in the first quarter of 2023. The result is a positive operating cash flow of around EUR 9.7 million (previous year: EUR -7.7 million). This effect is also expected to continue in the current fiscal year, depending in particular on the situation on the procurement markets.

Development eCharging

KATEK wants to play a major role in shaping electromobility in the field of eCharging. To this end, the 100% subsidiary eSystems presented the ghostONE white-label wallbox at the end of last year. The ghostONE addresses the application fields of „home charging“ and „fleet charging“, which is expected to grow to an installed base of almost 80 million units in Europe by 2035 according to the market research institute P3 Group. eSystems has already been able to win three major customers in the automotive sector for the ghostONE in the last four months, thus underlining its claim to take a leading, if not the leading position in this most important charging segment in Europe. In the next step, we will focus on the non-European markets and are optimally positioned for this with our state-of-the-art wallbox, the fully networked ghostONE, and our global in-house production network of KATEK.



M&A

As reported, we have signed a purchase agreement for Nextek Inc. in Madison, USA, in 2022. We currently expect the transaction to be completed (closing) at the end of Q2 or beginning of Q3 of this year. Until then, we expect a positive decision of the US authorities for the acquisition. Together with the previously acquired KATEK Canada (SigmaPoint), this will allow us to comprehensively serve the North American market, but not least in cooperation with our European customers as part of our increasing local-for-local strategy. We are also observing a very strong trend in Canada and the USA in particular towards the re-location of production from China back to North America and we will exploit this additional market potential for ourselves.

Further acquisitions being considered, in particular useful additions with a sense of proportion for our units in the Systems & Products segment, i.e. Charging, Medical Alarm Systems and Renewables.

Outlook

Following on from the expected good start to the new fiscal year, we are very confident about the coming months and quarters. Business development is in line with the guidance published at the end of the year, which remains unchanged.

2023 and 2024 will be the „Years of efficiency“ at KATEK, in which - depending on developments on the procurement markets in particular - we want to show what potential our Group has. To that, we had a very promising start to this in the first quarter.

Munich, May 2023

KATEK SE



Rainer Koppitz
CEO



Dr. Johannes Fues
CFO



■
Rainer Koppitz
CEO KATEK SE



■
Dr. Johannes Fues
CFO KATEK SE

Consolidated Statement of Comprehensive Income

EUR k	01 Jan 2023 - 31 Mar 2023	01 Jan 2022 - 31 Mar 2022 adjusted**
Revenue	200,245	158,427
Changes in inventories of finished goods/ work in progress	728	3,438
Own work capitalized	1,550	1,147
Total operating performance	202,524	163,013
Cost of materials	-146,657	-119,240
Gross profit	55,867	43,773
Other operating income	805	633 **
Personnel expenses	-35,744	-28,601
Other operating expenses	-14,316	-10,705 **
EBITDA	6,611	5,101 **
Depreciation and amortisation	-6,170	-5,368
Earnings before interest and taxes (EBIT)	442	-268 **
Finance income	14	12
Finance costs	-2,364	-736
Exchange differences	1,919	-49 **
Earnings before income taxes	11	-1,040
Income taxes	-3	299
Net profit or loss of the Group	8	-741
thereof attributable to non-controlling inter- ests	-139	-136
thereof attributable to shareholders of KATEK SE	147	-605
Number of shares (weighted average)	13,300,129	13,241,880
Earnings per share (EUR), basic and diluted	0.01	-0.05

* Due to rounding, sums may differ from the exact result of adding the individual figures.

** Change in the presentation of the currency translation as of 31 december, 2022, for more details please refer to the Annual Report 2022. Numbers as of 31 march 2022 before the adjustment amounted to:

Other operating income: EUR 2,655k, Other operating expenses: EUR -12,321k, EBITDA: EUR 5,506k, EBIT: EUR 138k, Exchange differences: EUR -455k

Consolidated Statement of Comprehensive Income

EUR k	01 Jan 2023 - 31 Mar 2023	01 Jan 2022 - 31 Mar 2022
Net profit or loss of the Group	8	- 741
Other comprehensive income		
Items that may be subsequently recycled through profit or loss		
Exchange differences arising from currency translation during the financial year	109	128
	109	128
Items that may not subsequently be recycled through profit or loss		
Changes in actuarial gains/losses from pensions	- 134	393
Deferred taxes from changes in actuarial gains/losses from pensions provisions	36	- 106
	- 98	287
Other comprehensive income after tax	12	415
Total comprehensive income	20	- 326
thereof attributable to non-controlling interests	- 139	- 137
thereof attributable to shareholders of KATEK SE	159	- 189

* Due to rounding, sums may differ from the exact result of adding the individual figures.

Consolidated Statement of Financial Position

Assets

EUR k	31 Mar 2023	31 Dec 2022
Non-current assets		
Property, plant and equipment	100,455	102,081
Goodwill	15,226	15,226
Other intangible assets	21,374	20,392
Financial assets	1,824	1,824
Employee benefits	239	489
Other financial assets	305	304
Deferred tax assets	13,430	13,503
Total non-current assets	152,852	153,819
Current assets		
Inventories	245,006	261,918
Trade receivables	53,421	43,603
Other financial assets	12,395	12,887
Income tax receivables	948	1,094
Other assets and prepaid expenses	5,945	6,149
Cash and cash equivalents	47,056	22,628
Total current assets	364,772	348,278
Total Assets	517,623	502,097

* Due to rounding, sums may differ from the exact result of adding the individual figures.

Consolidated Statement of Financial Position

Liabilities

EUR k	31 Mar 2023	31 Dec 2022
Equity		
Share capital	14,446	14,446
Share premium	129,733	129,733
Revenue reserves	19,625	19,466
Equity attributable to owners of the company	163,803	163,644
Non-controlling interests	1,180	1,319
Total equity	164,983	164,963
Non-current liabilities		
Non-current loans	57,565	2,543
Employee benefit liability	2,165	1,995
Other provisions	774	738
Other financial liabilities	62,910	68,167
Other liabilities	1,137	1,089
Deferred tax liabilities	1,247	1,360
Total non-current liabilities	125,798	75,892
Current liabilities		
Current loans	36,897	66,275
Other provisions	4,366	3,498
Trade payables	111,630	123,709
Contract liabilities shortterm	19,658	19,580
Other financial liabilities	27,708	23,373
Income tax liabilities	2,694	2,887
Other liabilities and deferred income	23,888	21,920
Total current liabilities	226,842	261,242
Total liabilities	352,640	337,134
Total equity and liabilities	517,623	502,097

* Due to rounding, sums may differ from the exact result of adding the individual figures.

Consolidated Statement of Cash Flows

EUR k	01 Jan 2023 - 31 Mar 2023	01 Jan 2022 - 31 Mar 2022
Cash flows from operating activities		
Net profit or loss of the Group	8	- 741
+/- Income tax expense/income	3	- 299
+/- Finance expense/income	2,350	724
+ Amortization of intangible assets and financial assets, depreciation of property, plant and equipment	6,170	5,368
+/- Other non-cash effective expenses/income	- 318	- 233
+/- Loss/gain on disposal of non-current assets	66	2
+/- Increase/decrease of provisions	1,286	380
+/- Increase/decrease in inventories, trade receivables and other assets	7,312	- 24,564
+/- Increase/decrease in trade payables and other liabilities	- 7,136	12,592
+/- Cash inflow/outflow from operating activities	9,741	- 6,770
+ Interest received	13	12
+/- Income tax reimbursements/payments	- 64	- 939
Cash flow from operating activities	9,689	- 7,697
Cash flows from investing activities		
- Cash paid for intangible assets	- 1,787	- 1,300
+ Cash received from the disposal of property, plant and equipment	18	493
- Cash paid for property, plant and equipment	- 2,781	- 5,478
Cash flow from investing activities	- 4,549	- 6,285

Consolidated Statement of Cash Flows

EUR k	01 Jan 2023 - 31 Mar 2023	01 Jan 2022 - 31 Mar 2022
Cash flows from financing activities		
+ Cash received from borrowing	24,484	622
- Cash repayment of loans and lease liabilities	- 5,142	- 4,970
+ Cash received from subsidies/grants	19	42
- Cash paid for interest	- 2,309	- 671
Cash flow from financing activities	17,052	- 4,978
-/+ Net decrease/increase in cash and cash equivalents	22,192	- 18,959
Cash and cash equivalents at the beginning of the reporting period	- 2,760	33,909
Changes in cash and cash equivalents due to exchange rates and changes in valuation	- 265	- 290
Cash and cash equivalents at the end of the reporting period	19,167	14,660
thereof: Cash at banks and on hand	47,056	20,243
thereof: Liabilities to banks	27,889	5,583

* Due to rounding, sums may differ from the exact result of adding the individual figures.

Consolidated Statement of Changes in Equity

EUR k	Share capital	Share premium	Retained reserves			Equity attributable to owners of the company	Non-controlling interests	Total
			Reserve for actuarial gains/losses	Foreign currency translation reserve (OCI)	Other			
01 Jan 2023	14,446	129,733	1,097	214	18,154	163,644	1,319	164,963
Net profit or loss of the Group	0	0	0	0	147	147	-139	8
Other comprehensive income	0	0	-98	110	0	12	0	12
Total comprehensive income	0	0	-98	110	147	159	-139	20
31 Mar 2023	14,446	129,733	999	324	18,301	163,803	1,180	164,983

* Due to rounding, sums may differ from the exact result of adding the individual figures.

Consolidated Statement of Changes in Equity

EUR k	Share capital	Share premium	Retained reserves			Equity attributable to owners of the company	Non-controlling interests	Total
			Reserve for actuarial gains/losses	Foreign currency translation reserve (OCI)	Other			
01 Jan 2022	13,242	111,784	41	160	24,797	150,023	1,777	151,799
Net profit or loss of the Group	0	0	0	0	- 605	- 605	- 136	- 741
Other comprehensive income	0	0	287	129	0	415	0	415
Gesamtergebnis	0	0	287	129	- 605	- 189	- 137	- 326
31 Mar 2022	13,242	111,784	327	288	24,192	149,834	1,640	151,473

* Due to rounding, sums may differ from the exact result of adding the individual figures.

Segment reporting

Background to segmentation

The segment disclosures are based on the internal management reporting of two reportable segments. The following summary describes the business of each reportable segment of the Group.

- [Electronics](#)
- [Systems & Products](#)

The Electronics segment comprises the activities of the Group in the development of hardware and software, prototyping and the manufacture of high-quality electronics for industrial customers. This segment constitutes the origins of the current KATEK Group.

The Systems & Products segment comprises the same value-added activities, but, in contrast to the Electronics segment, it possesses a number of additional features that together create particular value-added (high-value electronics). Firstly, the activities of this segment are targeted towards markets that display particularly strong growth and opportunities due to an underlying megatrend. KATEK has aligned its R&D activities towards these target markets. Nowadays KATEK offers its own systems and products in these fields which therefore display higher value-added and integrate the Group's own intellectual property. They include products and services related to smart EV charging, medical alert systems and solar/renewable energy.

The Other segments include activities in the field of fables prototyping, but only to a small extent. The content of this segment does not have any relationship to the operating activities of the other segments.

As reported in the group financial statements as of 31 december 2022, the segment reporting is still being established, only gross profit and revenue are reported to management for the purposes of steering the operations of the segments.

Consequently, only these two management indicators are presented in the segment reporting published in the section below. In particular, segment assets, segment liabilities and segment capex are not reported.

Segment reporting

Information on reportable segments

EUR k	Segment revenue		External revenue		Intersegment Revenue	
	01 Jan 2023 - 31 Mar 2023	01 Jan 2022 - 31 Mar 2022	01 Jan 2023 - 31 Mar 2023	01 Jan 2022 - 31 Mar 2022	01 Jan 2023 - 31 Mar 2023	01 Jan 2022 - 31 Mar 2022
Electronics	163,698	135,495	152,826	125,318	10,872	10,177
Systems & Products	47,459	33,192	46,915	32,753	544	439
Total reportable segments	211,157	168,687	199,741	158,071	11,416	10,616
All other segments	504	356	504	356	0	0
Reconciliation to Consolidated Financial Statements	- 11,416	- 10,616	0	0	- 11,416	- 10,616
KATEK Group	200,245	158,427	200,245	158,427	0	0

EUR k	Gross Profit	
	01 Jan 2023 - 31 Mar 2023	01 Jan 2022 - 31 Mar 2022
Electronics	39,934	31,898
Systems & Products	16,690	12,284
Total reportable segments	56,623	44,183
All other segments	153	143
Reconciliation to Consolidated Financial Statements	- 909	- 553
KATEK Group	55,867	43,773

The reconciliation to the consolidated financial statements presents those matters that are not directly related to the business segments or the other segments. Among other items, these include the consolidation of business transactions between the segments and certain reconciliation items, such as the costs incurred by the parent company of the Group that cannot be allocated to the segments.

Subsequent events

There have been no reportable events after the reporting date that have had a material impact on the net assets, financial position and results of operations of the KATEK Group.

Imprint

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