

KATEK

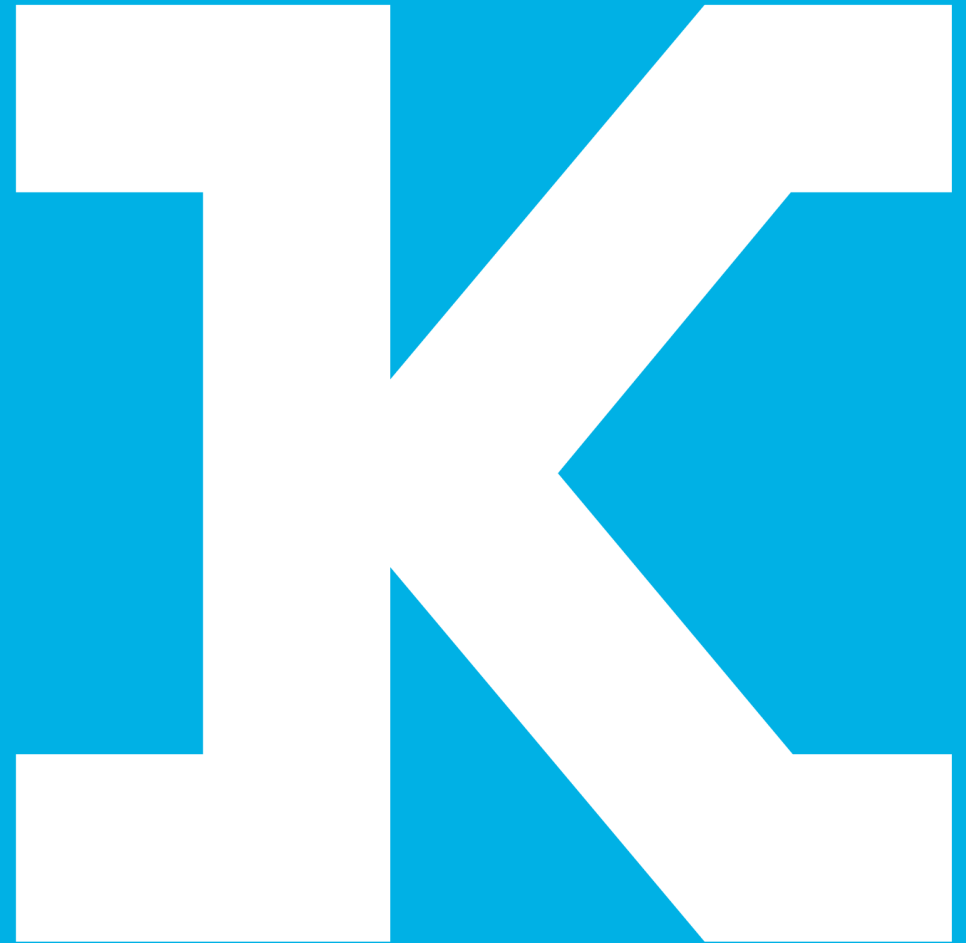
Lead the category

MEMBER OF PRIMEPULSE

Quarterly Statement
as of 30 September 2021

Q3

2021

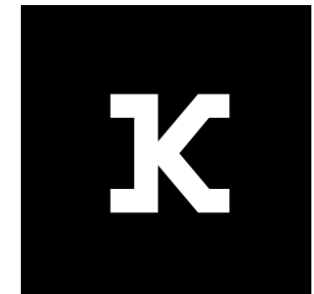


Clear Vision for the Future

To make KATEK the leading European power house for high-value electronics (HVE)

Mission Statement

We are a leader in the field of HVE targeting attractive growth markets such as eMobility, Solar, and Healthcare



At a glance

Group key figures (in kEUR)

	YTD Sep/2021	YTD Sep/2020
Revenue	401.965	293.754
Gross profit	117.660	90.482
EBITDA	19.816	6.373
EBIT	4.532	-4.248
EBITDA adj.	21.076	15.531
Margin EBITDA (adj.)*	5,2%	5,2%
EBIT adj.	7.999	4.910
Net profit and loss of the Group	5.184	-2.491
	30.09.2021	31.12.2020
Total assets	356.428	270.521
Equity	146.536	65.093
Equity ratio	41,1%	24,1%

* in % of total operating performance

Highlights

- 1) KATEK again gains significant market share and increases revenue by 36.8% to 402.0 MEUR as of Q3 YTD 2021 compared to the same period of the previous year.
- 2) KATEK Management is sticking to its targets for 2021 and currently sees no changes - despite the current peak of the materials crisis - with regard to the forecast corridor for the fiscal year communicated in the half-year interim report.
- 3) The strong growth is based on a very positive development in almost all industries that KATEK serves with High Value Electronics. The future markets Tele-Care, eMobility/Charging and Solar/Renewables developed particularly successfully, with sales increasing by a total of 51.2%. The automotive sector (excluding eMobility) showed below-average development, increasing organically by only around 11.2% compared to 2020.
- 4) EBITDA as of Q3 YTD 2021 also significantly increased compared to the same period of the previous year to 19.8 MEUR. EBITDA adj. as of Q3 YTD 2021 increased by 35.7% compared to the same period of the previous year to 21.1 MEUR. The EBITDA margin (adj.) could be kept stable at 5.2% despite missing volumes (missing contribution to fixed cost recovery) in connection with the material crisis.
- 5) KATEK sees increasing momentum in the M&A market. Currently, a handful of highly promising transactions are in the due diligence phase. In October 2021, KATEK acquired 10% of the shares of Pullach-based iOX Mobility GmbH, which develops and implements radical innovations for waterborne electric mobility. The company's cooperation partners include industry-leading companies in the marine industry and a leading manufacturer in the automotive industry.

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Report of the Management Board

The KATEK SE Group was able to continue its successful business development in the third quarter of 2021 and thus remains within the corridor of the forecast communicated in the half-year interim report. Despite a significant increase of challenges in the procurement of the required materials in the third quarter, the realized revenues as of Sept. YTD 2021 amount to 402.0 MEUR - and are thus approx. 37% above the same period of the previous year. Thus, the sales mark of 400 MEUR, which was exceeded in 2020 only at the end of the year, was already reached in September. Significant organic growth impulses resulted, among others, from the future markets Tele-Care, eMobility/Charging, and Solar/Renewables; in these areas, revenue increased strongly by 51.2% compared to the same period of the previous year. However, almost all other industries that KATEK supplies with High Value Electronics also grew faster than the market. The only exception is the automotive industry (excluding eMobility), which only grew organically at a below-average rate of around 11.2% year-over-year in 2020 due to various production stops by automotive OEMs.

At the same time, earnings increased again significantly compared to the same period of last year - the third quarter YTD was closed with an EBITDA of 19.8 MEUR. As of Q3 YTD 2021, the operating result (EBITDA adj.) increased by 35.7% compared to the same period of the previous year to 21.1 MEUR.

Thus, the path of targeted increase of the operating margin in parallel with the strong growth could be consistently continued also in Q3 2021. The operating margin (margin EBITDA adj.) amounted to 5.2% as of Q3 YTD 2021.

From the perception of the management, the development of the Group in Q3 2021 was characterized by two topics in particular: In the operating business, the supply of materials became the dominant topic, and in the M&A market, a clearly increasing dynamism was noticeable, as the elementary importance of electronics for all major industries in Europe - also in the context of the supply chain situation - has become increasingly visible.

Operating business:

KATEK's management has continuously analyzed the situation on the procurement markets over the past few months and responded to the shortage situations and delivery delays, some of which occurred at very short notice, in coordination with the customers in each case at short notice. In doing so, KATEK has succeeded in securing essential procurement channels through the deployment of the dedicated task force and in ensuring the ability to supply its customers on a large scale. It has become apparent that KATEK is affected to a below-average extent compared to the rest of the industry due to its very good purchasing position, its professional and agile purchasing organization, its very close cooperation with key suppliers as well as its healthy industry and customer mix. Necessary additional costs, such as special freight or brokerage costs, were successfully invoiced to customers within the framework of the applicable contracts or on the basis of separate agreements, in some cases with a time delay.

The build-up of inventories in connection with the global materials crisis is reflected in the temporarily higher capital commitment as of the reporting date and the corresponding impact on operating cash flow. KATEK has implemented a program of measures to return to the previously defined optimization path as the materials crisis subsides. In the meantime, it is noteworthy that KATEK has succeeded in reliably supplying its customers and gaining market share in recent months as well.

Overall, it should be noted that the Group's business performance in the third quarter of 2021 was also in line with expectations, although sales and gross profit could have been up to ten percent higher in the year to date if all customer requirements could have been met with an optimal parts supply.

On this basis, KATEK currently sees no need to deviate from the forecast for the full year 2021 communicated in the half-year interim report. The management continues to see the business development within the communicated corridor.

Looking ahead, KATEK assumes that the supply of materials will ease in individual areas, starting in the first quarter of 2022. The very positive book-to-bill ratio (2021 YTD: 1.5) and the full order books also signal that bottlenecks will essentially only lead to a shift in demands and not to their disappearance.

M&A:

In recent months, the market for corporate transactions has seen a significant increase in momentum. Due to the extremely good network and the increased visibility of KATEK, most recently as a result of the IPO, a whole series of targets have been examined by KATEK or are still in this process. We are currently seeing rising transaction prices due to the broadly perceived strategic importance of the electronics sector, but we remain consistently true to the defined investment criteria, particularly with regard to pricing, synergistic fit and value enhancement. We are very confident to be able to report further steps in the coming months.

A minority interest (10%) in the Pullach-based iOX Mobility GmbH was already concluded in Q3 2021. iOX Mobility GmbH is a young company that develops and implements radical innovations for waterborne electromobility. The company's cooperation partners include industry-leading companies in the marine industry and a

leading manufacturer in the automotive industry. Part of the investment in iOX is the agreement that KATEK will become the exclusive partner for the required electronics of the future product range.

The investment is part of KATEK's strategy to play a leading role in the field of electromobility in the development and production of the required High Value Electronics.

Munich, November 2021

KATEK SE

Rainer Koppitz

CEO

Dr. Johannes Fues

CFO

Interim Group Information

Consolidated Statement of Profit and Loss

in kEUR	01.01.2021 - 30.09.2021	01.01.2020 - 30.09.2020
Revenue	401.965	293.754
Changes in inventories	323	415
Own work capitalised	98	2.237
Total operating performance	402.386	296.405
Cost of materials	-284.726	-205.923
Gross profit	117.660	90.482
Other operating income	15.786	5.058
Personnel expenses	-80.495	-66.597
Other operating expenses	-33.135	-22.570
EBITDA	19.816	6.373
Depreciation and amortization	-15.284	-10.621
Earnings before interest and taxes (EBIT)	4.532	-4.248
Financial income	27	39
Finance costs	-2.159	-2.659
Exchange rate differences	600	-206
Earnings before tax	3.000	-7.075
Income taxes	2.184	4.584
Net profit or loss of the Group	5.184	-2.491
thereof attributable to non-controlling shareholder	-79	0
thereof attributable to shareholders of KATEK SE	5.263	-2.491
Number of shares (weighted average)	11.679.151,83	9.808.800
Basic and diluted earnings per share in EUR	0,45	-0,25

Consolidated Statement of Comprehensive Income

in kEUR	01.01.2021 - 30.09.2021	01.01.2020 - 30.09.2020
Net profit and loss of the Group	5.184	-2.491
Other comprehensive income		
Items that might be subsequently recycled through profit or loss		
Exchange rate differences arising from currency translations during the financial year	125	-291
	125	-291
Items that may not be subsequently recycled through profit and loss		
Change in actuarial gains/losses from pensions	115	-5
Deferred taxes from change in actuarial gains/losses from pensions	-34	1
	81	-4
Other comprehensive income after taxes	206	-295
Comprehensive income	5.390	-2.786
thereof attributable to non-controlling shareholders	-80	
thereof attributable to shareholders of KATEK SE	5.470	-2.786

Consolidated Balance Sheet

ASSETS

in kEUR	30.09.2021	31.12.2020
Non-current assets		
Property, plant and equipment	89.789	68.269
Goodwill	10.202	8.521
Other intangible assets	8.724	9.944
Financial assets	8	8
Employee benefits	111	264
Other financial assets	72	57
Deferred tax assets	7.283	8.059
Total non-current assets	116.188	95.122
Current assets		
Inventories	164.078	106.961
Trade receivables	33.558	23.346
Other financial assets	7.546	8.311
Income tax receivables	220	215
Other assets and prepaid expenses	3.532	1.114
Cash and cash equivalents	31.306	35.453
Total current assets	240.240	175.399
Total Assets	356.428	270.521

EQUITY AND LIABILITIES

in kEUR

	30.09.2021	31.12.2020
Capital and reserves		
Subscribed capital	13.242	146
Capital reserve	110.992	48.854
Retained earnings	21.563	16.093
Shareholder's equity of the parent company	145.797	65.093
Non-controlling interests	739	
Total equity	146.536	65.093
Non-current liabilities		
Long-term loans	35.279	38.967
Provisions for pensions and similar obligations	2.086	2.000
Other accrued liabilities	517	440
Other financial liabilities	42.971	31.707
Other liabilities	498	580
Deferred tax liabilities	532	882
Total non-current liabilities	81.884	74.576
Current liabilities		
Short-term loans	15.021	47.510
Other provisions	5.255	9.121
Trade payables	75.082	43.421
Payments received on account of orders	2.391	3.258
Other financial liabilities	8.988	14.594
Income tax liabilities	3.369	982
Other liabilities and deferred income	17.904	11.968
Total current liabilities	128.008	130.852
Total liabilities	209.892	205.428
Total equity and liabilities	356.428	270.521

Consolidated Statement of Cash Flow

in kEUR	01.01.2021 - 30.09.2021	01.01.2020 - 30.09.2020
Cash flows from operating activities		
Earnings after tax	5.184	-2.491
Income tax expense/(income tax)	-2.184	-4.584
Interest expense/(income)	2.132	2.621
Amortization of intangible assets and financial assets, depreciation of property, plant and equipment	15.284	10.621
(Increase)/decrease of provisions	-3.576	6.240
Other non-cash expenses/income	-11.813	-646
(Gain)/loss on disposal of non-current assets	-117	-40
(Increase)/decrease in inventories, trade receivables and other assets	-61.401	-28.226
Increase/(decrease) in trade payables and other liabilities	33.354	20.879
Interest received	27	39
Cash inflow/outflow from operating activities	-23.109	4.413
Income taxes paid	-478	-1.128
Net cash inflow / outflow from operating activities	-23.587	3.285

in kEUR	01.01.2021 - 30.09.2021	01.01.2020 - 30.09.2020
Cash flows from investing activities		
Cash received from the disposal of intangible assets	85	36
Cash paid for intangible assets	-334	-1.030
Cash received from the disposal of property, plant and equipment	11.019	956
Cash paid for property, plant and equipment	-10.092	-15.104
Cash paid for additions to the consolidated group less cash and cash equivalents acquired	-8.334	-1.099
Net cash inflow / outflow from investing activities	-7.656	-16.241

in kEUR	01.01.2021 - 30.09.2021	01.01.2020 - 30.09.2020
Cash flows from financing activities		
Cash received from issuance of stock by other shareholder	75.234	0
Cash received from borrowings	8.416	28.256
Cash repayment of loans and lease liabilities	-17.478	-26.678
Cash received from subsidies/grants	19	328
Cash received from liabilities to shareholders	0	16.046
Cash paid of liabilities to shareholders	-7.674	0
Interest paid	-3.355	-2.652
Net cash inflow/outflow from financing activities	55.162	15.300
Net increase/decrease in cash and cash equivalents	23.919	2.344
Cash and cash equivalents at the beginning of the reporting period	3.582	8.449
Changes in cash and cash equivalents due to exchange rate and changes in valuation	-447	430
Cash and cash equivalents at the end of the reporting period	27.054	11.222
thereof: bank balances and cash on hand	31.306	15.724
thereof: liabilities to banks	4.252	4.501

Consolidated Statement of Changes in Equity

	Subscribed capital	Capital reserve	Revenue reserves			Thereof attributable to shareholders of the parent company	Thereof non-controlling interests	Total
			Reserve for actuarial gains/losses	Foreign currency translation reserve	Other			
			in kEUR	in kEUR	in kEUR			
01.01.2021	146	48.854	-111	-139	16.343	65.093	0	65.093
Net profit and loss of the Group	0	0	0	0	5.263	5.263	-79	5.184
Capital increase from shareholders	3.433	71.801	0	0	0	75.234	0	75.234
Capital increase from company funds	9.662	-9.662	0	0	0	0	0	0
Adjustment to reserves (OCI)	0	0	81	0	0	81	0	81
Effects from changes of the scope of consolidation	0	0	0	0	0	0	818	818
Exchange rate gains and losses	0	0	0	126	0	126	0	125
30.09.2021	13.242	110.992	-30	-14	21.606	145.797	739	146.536

	Subscribed capital	Capital reserve	Revenue reserves			Thereof attributable to shareholders of the parent company	Thereof non-controlling interests	Total
			Reserve for actuarial gains/losses	Reserve from foreign currency translation	Other			
			in kEUR	in kEUR	in kEUR			
01.01.2020	120	4.880	-254	16	14.752	19.514	0	19.514
Net profit and loss of the Group	0	0	0	0	-2.491	-2.491	0	-2.491
Adjustment to reserves (OCI)	0	0	-4	0	0	-4	0	-4
Exchange rate gains and losses	0	0	0	-291	0	-291	0	-291
30.09.2020	120	4.880	-257	-276	12.261	16.728	0	16.728

Significant Events and Business Transactions

KATEK SE acquired 10% of the shares of the Pullach-based iOX Mobility GmbH on 13 October 2021 as part of a capital increase. iOX Mobility GmbH is a young company that develops and implements radical innovations for waterborne electromobility. The company's cooperation partners include industry-leading companies in the marine industry and a leading manufacturer in the automotive industry. The launch of the first products is planned for 2022. As part of the agreement, KATEK will be the exclusive electronics partner for iOX Mobility GmbH's future products. The investment is part of KATEK's strategy to play a leading role in the field of electromobility in the development and production of the required High Value Electronics.

Imprint

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