

# BIG ENOUGH TO COMPETE – SMALL ENOUGH TO CARE.

QUARTERLY REPORT  
Q3 2022/2023

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# Preface

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Dear Shareholders,

We were able to continue the successful business development of the first half year and also finish the third quarter of the 2022/2023 financial year (01/01/2023 – 31/03/2023) with significant increases in turnover and earnings compared to the same quarter of the previous year.

With a Group turnover of EUR 78.5 million, the turnover in the first nine months of 2022/2023 was 19 % higher compared to the previous year (EUR 66.0 million). The increase mainly results from the dynamic data visualisation segment with high-margin industrial monitors and turnover achieved in the power supply segment with product for demanding applications.

A profitable product mix has resulted in a disproportionate increase in the earnings before interest and taxes (EBIT) of 34 % to EUR 8.5 million, compared to the previous year (EUR 6.3 million) and an increased EBIT margin of 10.8 % (previous year: 9.6 %). This has again confirmed that we are on track for success in the first nine months of 2022/2023.

The order book on 31 March 2023 was EUR 92.4 million compared to EUR 85.3 million in the previous year and therefore remains at a high level.

Our new Management Board colleague, Mr Ulrich Ermel, came on board on 01 March 2023. The qualified electrical engineer (FH) and chartered engineer is the successor to Mr Bernhard Staller as COO, who will retire on 30th June 2023 for age reasons. To guarantee a smooth transition, the FORTEC Elektronik AG Management Board will therefore comprise Sandra Maile, along with Bernhard Staller and Ulrich Ermel as Members of the Management Board until then.

You can rest assured that we will continue to do everything in our power to ensure that FORTEC remains an attractive, future-oriented company that deserves your trust.

Germering, May 2023

[Sandra Maile](#)

Chair of the Management Board



*The Management Board (from left to right): Ulrich Ermel, Sandra Maile, Bernhard Staller*

# Group Management Report: 3rd Quarter 2022/2023

## 01/07/2022 – 31/03/2023

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### Profit situation

With a growth of 19.0 %, the Group turnover in the first nine months of the 2022/2023 financial year increased to EUR 78.5 million (previous year: EUR 66.0 million)

Other operating income increased from EUR 1.5 million to EUR 2.1 million. The increase is due to higher income from exchange rate differences.

The increased turnover is due to a higher cost of materials of EUR 53.9 million (previous year: EUR 44.4 million), and the cost of sales ratio fell slightly from 67.2 % to 66.8 %. The gross margin, taking into account work in progress, increased from 32.8 % in the previous year to 33.2 %.

The current situation on the labour market and its consequences such as general salary adjustments and expensive new appointments also lead to an increase in staff costs from EUR 10.9 million in the previous year to EUR 11.8 million in the first nine months of the 2022/2023 financial year. However, the personnel cost ratio in relation to turnover again reduced to 15.1 % (previous year: 16.5 %).

At EUR 1.2 million, the depreciation item remains unchanged in a nine month comparison.

Compared to the previous year, other operating costs increased significantly to EUR 6.6 million (previous year: EUR 4.7 million), resulting in a ratio of 8.4 % (previous year: 7.1 %) relative to the turnover. The reason for the increase is currency losses and external services, as well an overall increase in service costs.

Earnings before interest and taxes (EBIT) increased significantly from EUR 6.3 million to EUR 8.5 million due to the aforementioned factors. The resulting EBIT margin also enlarged in the reporting period from 9.6 % to 10.8 %.

Therefore, a net profit for the period of around EUR 6.1 million was achieved for the first nine months of the 2022/2023 financial year, where the return of sales after taxes is 7.8 % (previous year: 7.0 %).

Earnings per share rose significantly from EUR 1.43 in the previous year to EUR 1.87 in the reporting period.

### Asset situation

With a balance sheet of EUR 75.0 million (30/06/2022: EUR 70.8 million), non-current assets amount to EUR 17.4 million (30/06/2022: EUR 17.8 million).

With just a minor change, the goodwill of the acquired subsidiaries is at EUR 6.9 million (30/06/2022: EUR 7.0 million) and therefore the largest item. The rights of use recognised in accordance with IFRS 16 are the second-largest item at EUR 5.1 million (30/06/2022: EUR 5.4 million).

With a proportion of around 46 % and a value of EUR 34.5 million (30/06/2022: EUR 26.1 million), the assets are the largest single item in the current assets. The build-up of stocks results from the high order book and serves to mitigate any further fluctuations in the supply chains.

The significantly increased turnover is accompanied by receivables from deliveries and services amounting to EUR 11.8 million (30/06/2022: EUR 10.7 million). Cash and cash equivalents has decreased from EUR 12.9 million on 30 June 2022 to EUR 9.9 million on 31 March 2023 due to the dividend distribution and the increase in stock.

## Financial and liquidity position

With a continued excellent equity ratio of 71.1 % (30/06/2022: 70.4 %), FORTEC Elektronik AG is impressing when compared to companies with similar business models. At EUR 53.4 million (30/06/2022: EUR 49.9 million), the Group is also prepared for future growth.

The non-current bank liabilities item continues to be the second-largest item in the non-current liabilities but has reduced to EUR 1.4 million in accordance with the repayment schedule (30/06/2022: EUR 1.6 million), and the non-current leasing liabilities have decreased from EUR 4.5 million on 30 June 2022 to EUR 4.2 million.

As a result of the increased stocks, the liabilities from deliveries and services increased from EUR 6.5 million on 30 June 2022 to EUR 7.9 million on 31 March 2023. Other liabilities therefore increased slightly to EUR 1.6 million (30/06/2022: EUR 1.5 million)

## Forecast

The Management Board of FORTEC Elektronik AG has therefore decided to update the forecast for the current financial year on 08 May 2023. It has increased the forecast for Group turnover to EUR 97.0 million to EUR 110.0 million (previously: EUR 91.0 million to EUR 97.0 million) and the Group EBIT to EUR 10.0 million to EUR 11.0 million (previously: EUR 8.0 million to EUR 9.0 million). Nevertheless, the forecast is subject to uncertainties due to the current geopolitical situation, which could have an effect on the forecast turnover and results development.

## Consolidated Balance Sheet as at 31/03/2023 in accordance with IAS/IFRS

ASSETS in TEUR			LIABILITIES in TEUR		
	31/03/2023	30/06/2022		31/03/2023	30/06/2022
<b>A. Non-current assets</b>	<b>17,400</b>	<b>17,814</b>	<b>A. Equity capital</b>	<b>53,356</b>	<b>49,857</b>
I. Acquired goodwill	6,925	6,963	I. Subscribed capital	3,250	3,250
II. Intangible assets	278	213	II. Capital reserve	14,481	14,481
III. Tangible fixed assets	4,553	4,650	III. Conversion differences	1,502	1,819
IV. Rights of use	5,074	5,380	IV. Other reserves	28,020	24,044
V. Financial assets balanced in accordance with the equity method	71	71	V. Net income for the period	6,093	6,253
VI. Financial assets	75	70	VI. Non-controlling interests	9	10
VII. Deferred taxes	425	468			
<b>B. Current assets</b>	<b>57,640</b>	<b>53,021</b>	<b>B. Non-current liabilities</b>	<b>6,804</b>	<b>7,343</b>
I. Inventories	34,516	26,075	I. Non-current bank liabilities	1,361	1,611
II. Trade receivables	11,752	10,683	II. Non-current leasing liabilities	4,169	4,508
III. Tax receivables	810	2,496	III. Other non-current financial liabilities	84	48
IV. Other financial assets	331	571	IV. Other non-current liabilities	406	448
V. Other assets	333	313	V. Non-current reserves	370	354
VI. Cash and cash equivalents	9,897	12,884	VI. Deferred tax liabilities	414	374
			<b>C. Current liabilities</b>	<b>14,881</b>	<b>13,636</b>
			I. Liabilities to credit institutes	333	750
			II. Liabilities from deliveries and services	7,886	6,540
			III. Current leasing liabilities	1,065	1,011
			IV. Tax liabilities	2,324	1,811
			V. Other current financial liabilities	1,322	1,678
			VI. Other current liabilities	1,582	1,475
			VII. Reserves	370	371
<b>Total assets</b>	<b>75,040</b>	<b>70,836</b>	<b>Total liabilities</b>	<b>75,040</b>	<b>70,836</b>

# Consolidated Statement of Comprehensive Income at 31/03/2023

unaudited, according to IAS/IFRS

In thousand EUR	Consolidated statement of income 01/07/2022-31/03/23	Consolidated statement of income 01/07/2021-31/03/22
<b>Sales revenues</b>	<b>78,516</b>	<b>65,958</b>
Change in inventories of unfinished/finished goods	1,405	65
Other operating income	2,079	1,530
Cost of materials	53,888	44,405
Personnel expenses	11,834	10,890
Depreciation	1,221	1,200
Other operating costs	6,557	4,715
<b>Operating result (EBIT)</b>	<b>8,500</b>	<b>6,344</b>
Dividends	0	41
Other interest and similar income	2	1
Other interest and similar costs	111	148
<b>Result before taxes</b>	<b>8,392</b>	<b>6,237</b>
Taxes on income	2,299	1,594
<b>Net profit for the period</b>	<b>6,093</b>	<b>4,642</b>
Other earnings*	-317	689
<b>Total earnings</b>	<b>5,776</b>	<b>5,331</b>
Earnings per share (in EUR)	1.87	1.43
Shares (in units)	3,250,436	3,250,436
<b>Of the total result, the following are attributable to:</b>		
Shareholders of the parent company	5	5,332
Non-controlling shareholders	-1	-1

\*Other comprehensive income exclusively comprises currency translation differences not recognised in profit or loss.

## Annex - Explanatory Remarks

### The basis for the preparation of the financial statements

The condensed Group report does not contain all information and disclosures required for consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements and the group management report as at 30 June 2022.

The consolidated quarterly financial statements have been neither audited nor reviewed by an auditor.

The report has been drawn up in euros. For reasons of calculation, rounding differences may occur in the tables and in references.

### Segment reporting

The Group's reportable segments are data visualisation and power supplies. Other segments include intra-group services.

In thousand EUR	Data visualisation	Power supplies	Other segments	Total	Reconciliation Consolidation	Consolidated
External revenues	50,647	27,870	0	78,517	0	78,517
Internal revenues	3,302	1,669	1,494	6,466	-6,466	0
Segment revenues	53,949	29,539	1,494	84,982	-6,466	78,516
Gross margin (total operating performance ./ cost of sales)	18,167	8,206	855	27,228	-1,195	26,033
Gross margin in %	33.7	27.8	57.2	32.0		33.2
EBIT	6,922	2,439	-840	8,520	-20	8,500
EBIT in %	12.8	8.3	-56.2	10	0.3	10.8



## Disclaimer of liability

This report contains certain forward-looking statements based on currently discernible and available information, assumptions and forecasts made by the Management of FORTEC Elektronik AG. They serve solely to provide information and are characterised by terms such as "believe", "expect", "predict", "intend", "forecast", "plan", "estimate" or "endeavour". These statements are therefore only valid at the time of their publication.

Various known and unknown risks, uncertainties and other factors could lead to material differences between the forecasts given here and the actual results, financial situation, development or performance of the Company.

FORTEC Elektronik AG assumes no obligation to update such forward-looking statements or to align them with future events or developments. Accordingly, no liability or guarantee for the topicality, correctness or completeness of this data and information is assumed either explicitly or implicitly.