

Quarterly statement 3/2024



Masterflex at a glance

in EUR thousand	01.01-30.09.24*	01.01-30.09.23*	Change
Consolidated revenue	76,937	78,967	-2.6%
EBITDA	15,128	14,729	2.7%
EBIT (operating)	11,192	11,043	1.3%
EBIT	11,072	10,818	2.3%
EBT (operating)	10,211	10,171	0.4%
Financial result	-981	-872	12.5%
Consolidated net income	7,098	7,240	-2.0%
Consolidated earnings per share (EUR)	0.74	0.75	-1.3%
EBIT margin (operating)	14.5%	14.0%	
Net return on revenue	9.2%	9.2%	
Employees (number)	603	619	-2.6%

in EUR thousand	30.09.24*	31.12.23	Change
Group equity	61,871	57,602	7.4%
Consolidated balance sheet total	97,517	93,691	4.1%
Group equity ratio	63.4%	61.5%	

* unaudited

MASTERFLEX SE:

Further increase in profitability in the first nine months of 2024

- Group revenue after nine months at EUR 76.9 million (9M/2023: EUR 79.0 million)
- Group operating EBIT at 9-month high of EUR 11.2 million (9M/2023: EUR 11.0 million), operating EBIT margin rises to 14.5% (9M/2023: 14.0%)
- New syndicated loan provides more financial and strategic flexibility
- Forecast for the 2024 financial year confirmed

Management Board Report

Gelsenkirchen, 6 November 2024 – The Masterflex Group was able to once again increase its earnings to a new nine-month high in the first nine months of the financial year 2024, despite a moderate, economically driven decline in revenue. Ongoing productivity improvements enabled the Group to further increase its operating EBIT margin as planned.

The business development in the past quarter is largely a continuation of the development of the previous quarters. In the period from January to September 2024, the Masterflex Group generated revenue of EUR 76.9 million after EUR 79.0 million in the same period of the previous year. This corresponds to a slight year-on-year decline of 2.6%. As in previous quarters, this reflects the weak economic development in Europe and particularly in Germany. As in previous quarters, customer sectors such as mechanical and plant engineering are experiencing cyclical weakness in demand. In addition, the otherwise high-growth aerospace sector recorded a surprising dip in growth in the third quarter, which has capacity-related causes outside Masterflex and is not permanent. In the medical technology area, Masterflex was confronted with somewhat greater than expected order postponements due to continued high inventory levels on the customer side, although catch-up effects are expected in 2025. The food and semiconductor sectors continued to show robust growth. From a regional perspective, economic development in Asia was sluggish in addition to Europe, while the US economy remained robust.

The EBITDA for the first nine months of 2024 amounted to EUR 15.1 million, up 2.7% on the previous year's figure of EUR 14.7 million. At EUR 11.2 million, operating EBIT for the first nine months of 2024 was up 1.3% compared to EUR 11.0 million achieved in the first nine months of 2023. The operating EBIT margin improved accordingly from 14.0% in the previous year to 14.5%. The pleasing earnings development, despite the decline in revenue, is the result of a favorable product mix and further efficiency improvements. Consolidated net income amounted to EUR 7.1 million (9M/2023: EUR 7.2 million) or EUR 0.74 per share (9M/2023: EUR 0.75), influenced by a higher tax rate compared to the previous year.

Due to the positive earnings development, Masterflex's financial position has further improved. Cash and cash equivalents rose from EUR 11.0 million as at December 31, 2023, to EUR 12.2 million as at September 30, 2024, despite the 25% increase in the dividend distributed in the third quarter. Net debt decreased compared to December 31, 2023, to EUR 12.0 million (December 31, 2023: EUR 13.1 million) as a result of scheduled repayments and the positive operating cash flow development. Group equity increased to EUR 61.9 million as at September 30, 2024, compared to EUR 57.6 million as at the 2023 balance sheet date. Despite the increase in total assets, the

Group's equity ratio climbed from 61.5% as at December 31, 2023, to 63.4% as at September 30, 2024, documenting the Group's high level of solidity.

This solidity is also reflected in the conditions – particularly in the interest rate and the level of collaterals – of the new syndicated loan of EUR 55 million agreed in September, including the option to increase by a further EUR 25 million. Masterflex has thus simplified its financing structure while at the same time increasing its financial and consequently strategic flexibility. The syndicated loan has a term of five years, with an option to be extended by up to two years. It serves to finance general corporate purposes, particularly in the area of M&A, and thus strengthens the foundation for Masterflex's planned expansion.

Dr. Andreas Bastin, CEO of the Masterflex Group: "In an increasingly recessive market environment in some of our customer industries, we are performing satisfactorily on the revenue side, and on the earnings side, we stand firm like a rock, thanks to continuous progress in productivity and efficiency. The newly agreed syndicated loan provides us with the necessary flexibility to continue implementing our future strategy 'Hero@Zero' and expands our scope for future-oriented investments and M&A activities. We remain confident that we will achieve our targets set for 2024 and beyond."

Earnings

In the first nine months of the year, the Masterflex Group recorded a cyclical decline in revenue of -2.6% to EUR 76.9 million compared to EUR 79.0 million in the same period of the previous year. The slight year-on-year decline in revenue reflects the economic headwinds in cyclical customer sectors, such as mechanical and plant engineering. In the medical technology sector, orders were postponed due to persistently high inventories. The aerospace sector also recorded a moderate slowdown in momentum, particularly in the third quarter, with overall demand at a high level. The food and semiconductor sectors continued to show robust growth.

Operating earnings before interest and taxes (EBIT before non-operating income and expenses) increased by 1.3% to EUR 11.2 million in the first nine months of 2024 after EUR 11.0 million in the same period of the previous year. This corresponds to an operating EBIT margin in relation to revenue of 14.5% (9M/2023: 14.0%).

The cost of materials ratio (measured against total operating performance) was 29.3% as at September 30, 2024 (9M/2023: 32.2%). The personnel cost ratio (measured against total operating performance) amounted to 35.1% after nine months, compared to 33.9% in the same period of the previous year, reflecting the slight increase in personnel costs due to inflation.

Other expenses decreased by 1.5% from EUR 12.9 million in the previous year to EUR 12.7 million after nine months of 2024.

Depreciation and amortization of EUR 4.1 million increased moderately in the first nine months of 2024 compared to the same period of the previous year at EUR 3.9 million.

Financing expenses rose to EUR 1.0 million in the nine-month period due to higher interest rates, compared to EUR 0.9 million in the previous year.

Consolidated net income amounted to EUR 7.1 million (9M/2023: EUR 7.2 million) or EUR 0.74 per share (9M/2023: EUR 0.75), which is attributable to the higher tax burden year-on-year.

Net assets and financial position

The increase in total assets by EUR 3.8 million to EUR 97.5 million as at September 30, 2024 (December 31, 2023: EUR 93.7 million) was mainly due to an increase in trade receivables by EUR 2.6 million to EUR 12.5 million (December 31, 2023: EUR 9.9 million) as at the reporting date.

Cash and cash equivalents increased to EUR 12.2 million as at September 30, 2024 (December 31, 2023: EUR 11.0 million) despite the higher increase in working capital and the 25% increase in dividends.

Group equity amounted to EUR 61.9 million as at September 30, 2024, after EUR 57.6 million as at December 31, 2023. Despite the simultaneous increase in total assets, the Group's equity ratio rose from 61.5% as at December 31, 2023, to 63.4% as at September 30, 2024.

Net debt decreased compared to December 31, 2023, to EUR 12.0 million (December 31, 2023: EUR 13.1 million), mainly due to scheduled repayments. The new syndicated loan agreement as at September 30, 2024, has resulted in all financial liabilities being reported under non-current liabilities.

Compared to the previous year, the development of cash flow in the first nine months of 2024 was mainly characterized by a lower increase in working capital, in particular a lower increase in receivables, and lower capital expenditures as well as higher interest and tax payments and the 25% increase in dividend payments to shareholders.

Cash flow from operating activities increased significantly to EUR 9.3 million (9M/2023: EUR 7.6 million). The investment volume was slightly below the previous year's level (9M/2024: EUR 2.6 million; 9M/2023: EUR 3.5 million), while cash flow from financing activities amounted to EUR -5.2 million (9M/2023: EUR -4.4 million). Overall, cash and cash equivalents improved from EUR 11.0 million on December 31, 2023 to EUR 12.2 million on September 30, 2024.

Outlook

Based on the successful business development in the first nine months of 2024, the Management Board confirms its previous forecast for the financial year 2024, despite a more challenging economic environment. Assuming no further substantial deterioration in either the economic situation or geopolitical uncertainties, the Management Board continues to expect full-year 2024 revenues in the range of EUR 100 million to EUR 107 million and an EBIT between EUR 12 million and EUR 15 million.

Consolidated Statement of Financial Position

Assets in EUR thousand	30.09.2024*	31.12.2023
Non-current assets		
Intangible assets	13,340	13,353
Licenses, industrial property rights	1,152	1,306
Development costs	2,434	2,269
Goodwill	9,187	9,187
Advance payments	567	591
Property, plant and equipment	36,226	35,753
Land and buildings	19,518	19,099
Technical equipment and machinery	12,309	12,491
Other equipment, operating and office equipment	3,549	3,213
Advance payments and assets under construction	850	950
Financial assets	79	62
Investment securities	79	62
Other assets	52	120
Deferred taxes	124	100
	49,821	49,388
Current assets		
Inventories	22,079	22,245
Raw materials consumables and supplies	13,409	13,160
Unfinished goods and services	355	379
Finished products and goods	8,315	8,706
Receivables and other assets	13,366	10,686
Trade receivables	12,497	9,886
Other assets	869	800
Income tax assets	69	346
Cash and bank balances	12,182	11,026
	47,696	44,303
Total assets	97,517	93,691

* unaudited

Consolidated Statement of Financial Position

Liabilities in EUR thousand	30.09.2024*	31.12.2023
Equity		
Consolidated equity	61,498	57,236
Issued capital	9,618	9,618
Capital reserve	31,306	31,306
Retained earnings	21,993	17,374
Reserve for the fair value measurement of financial instruments	-628	-646
Hedging instruments	-36	71
Currency differences	-755	-487
Non-controlling interests	373	366
Total equity	61,871	57,602
Non-current liabilities		
Provisions	320	321
Financial liabilities	22,814	3,283
Other liabilities	625	625
Deferred taxes	1,870	1,024
	25,629	5,253
Current liabilities		
Provisions	154	154
Financial liabilities	1,370	20,862
Income tax liabilities	1,021	3,237
Other liabilities	7,472	6,583
Trade accounts payable	2,412	2,023
Other liabilities	5,060	4,560
	10,017	30,836
Total liabilities and shareholders' equity	97,517	93,691

* unaudited

Consolidated Statement of Income (9M)

	01.01.-30.09.24*	01.01.-30.09.23*
	EUR thousand	EUR thousand
1. Sales revenue	76,937	78,967
2. Increase or decrease in inventories of finished and unfinished goods	-54	540
3. Other own work capitalized	56	26
4. Other income	391	610
Operating performance	77,330	80,143
5. Cost of materials	-22,547	-25,640
6. Personnel expenses	-26,993	-26,921
7. Depreciation and amortization	-4,056	-3,911
8. Other expenses	-12,662	-12,853
9. Financial result		
Financing expenses	-987	-878
Other financial result	6	6
10. Earnings before taxes	10,091	9,946
11. Income taxes	-2,942	-2,668
12. Consolidated result	7,149	7,278
thereof: non-controlling interests	51	38
thereof: share of shareholders of Masterflex SE	7,098	7,240
Earnings per share (undiluted and diluted)	0.74	0.75

* unaudited

Consolidated Statement of Income (Q3)

	01.07.-30.09.24*	01.07.-30.09.23*
	EUR thousand	EUR thousand
1. Sales revenue	25,338	26,283
2. Increase in inventories of finished and unfinished goods	113	126
3. Other own work capitalized	20	9
4. Other income	145	163
Operating performance	25,616	26,581
5. Cost of materials	-7,303	-8,117
6. Personnel expenses	-9,046	-8,853
7. Depreciation and amortization	-1,495	-1,319
8. Other expenses	-4,119	-4,121
9. Financial result		
Financing expenses	-318	-315
Other financial result	2	2
10. Earnings before taxes	3,337	3,858
11. Income taxes	-1,054	-868
12. Consolidated result	2,283	2,990
thereof: non-controlling interests	24	18
thereof: share of shareholders of Masterflex SE	2,259	2,972
Earnings per share (undiluted and diluted)	0.24	0.31

* unaudited

Consolidated Statement of Comprehensive Income (9M)

	01.01.-30.09.24*	01.01.-30.09.23*
	EUR thousand	EUR thousand
Consolidated result	7,149	7,278
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	-342	99
2. Changes in the fair value of financial instruments	18	-15
3. Hedging transactions	-139	-12
4. Income taxes	32	3
5. Other income after taxes	-431	75
6. Comprehensive income	6,718	7,353
Comprehensive income:	6,718	7,353
thereof: non-controlling interests	51	38
thereof: share of shareholders of Masterflex SE	6,667	7,315

* unaudited

Consolidated Statement of Comprehensive Income (Q3)

	01.07.-30.09.24*	01.07.-30.09.23*
	EUR thousand	EUR thousand
Consolidated result	2,283	2,990
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	-552	294
2. Changes in the fair value of financial instruments	8	-5
3. Hedging transactions	142	74
4. Income taxes	-31	-22
5. Other income after taxes	-433	341
6. Comprehensive income	1,850	3,331
Comprehensive income:	1,850	3,331
thereof: non-controlling interests	24	18
thereof: share of shareholders of Masterflex SE	1,826	3,313

* unaudited

Consolidated Statement of Cash Flow

in EUR thousand	30.09.2024*	30.09.2023*
Result for the period before taxes, interest expense and financial income	11,072	10,780
Income tax expenses	-4,074	-1,232
Depreciation and amortization of property, plant and equipment and intangible assets	4,056	3,911
Decrease/Increase in provisions	-1	4
Other non-cash income and gain on disposal of non-current assets	-5	12
Decrease/Increase in inventories	166	-2,414
Increase in trade receivables and other assets not attributable to investing or financing activities	-2,359	-4,124
Increase in trade accounts payable and other liabilities not attributable to investing or financing activities	407	621
Cash flow from operating activities	9,262	7,558
Payments for investments in non-current assets	-2,600	-3,496
Cash flow from investing activities	-2,600	-3,496
Payments to company owners and minority shareholders	-2,449	-1,974
Interest and dividend income	4	6
Interest payments	-866	-767
Payments for lease liabilities	-927	-923
Payments for the repayment of loans	-1,000	-750
Cash flow from financing activities	-5,238	-4,408
Cash-effective changes in cash and cash equivalents	1,424	-346
Changes in cash and cash equivalents due to exchange rates and other changes in value	-268	202
Cash and cash equivalents at the beginning of the period	11,026	9,746
Cash and cash equivalents at the end of the period	12,182	9,602

* 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 31.12.2022	9,618	31,306	11,339	-620	172	-202	51,613	372	51,985
Distributions	0	0	-1,924	0	0	0	-1,924	-50	-1,974
Comprehensive income	0	0	7,137	-15	-9	202	7,315	38	7,353
Consolidated result	0	0	7,240	0	0	0	7,240	38	7,278
Other income after income taxes	0	0	-103	-15	-9	202	75	0	75
Changes in the fair value of financial instruments	0	0	0	-15	0	0	-15	0	-15
Changes in the fair value of hedging instruments	0	0	0	0	-12	0	-12	0	-12
Currency gains/losses from the translation of foreign financial statements	0	0	-103	0	0	202	99	0	99
Income taxes on other comprehensive income	0	0	0	0	3	0	3	0	3
Equity as of 30.09.2023	9,618	31,306	16,552	-635	163	0	57,004	360	57,364
Equity as of 31.12.2023	9,618	31,306	17,374	-646	71	-487	57,236	366	57,602
Distributions	0	0	-2,405	0	0	0	-2,405	-44	-2,449
Comprehensive income	0	0	7,024	18	-107	-268	6,667	51	6,718
Consolidated result	0	0	7,098	0	0	0	7,098	51	7,149
Other income after income taxes	0	0	-74	18	-107	-268	-431	0	-431
Changes in the fair value of financial instruments	0	0	0	18	0	0	18	0	18
Changes in the fair value of hedging instruments	0	0	0	0	-139	0	-139	0	-139
Currency gains/losses from the translation of foreign financial statements	0	0	-74	0	0	-268	-342	0	-342
Income taxes on other comprehensive income	0	0	0	0	32	0	32	0	32
Equity as of 30.09.2024	9,618	31,306	21,993	-628	-36	-755	61,498	373	61,871

Share information

Stock exchange symbol	MZX
WKN	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 2023	EUR 0.25
Designated Sponsor	ICF Bank AG

Investor Relations

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Forward-looking statements

This report contains forward-looking statements. These statements are based on the current expectations, assumptions and forecasts of the Management Board and the information currently available to it. The forward-looking statements are not to be understood as guarantees of the future developments and results mentioned therein. Rather, future developments and results depend on a variety of factors, they include various risks and uncertainties and are based on assumptions that may not prove to be accurate. We assume no obligation to update the forward-looking statements made in this report.



 **WirtschaftsWoche**

 **GLOBAL MARKET LEADER**
Champion
2024

MASTERFLEX GROUP
Hoses and Connection
Solutions made from
High-Tech Polymers

Source: Global Market Leader Index
by Dr. Walter Döring
and Prof. Dr. Christoph Müller

 **TOP 100**
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top innovator
2024