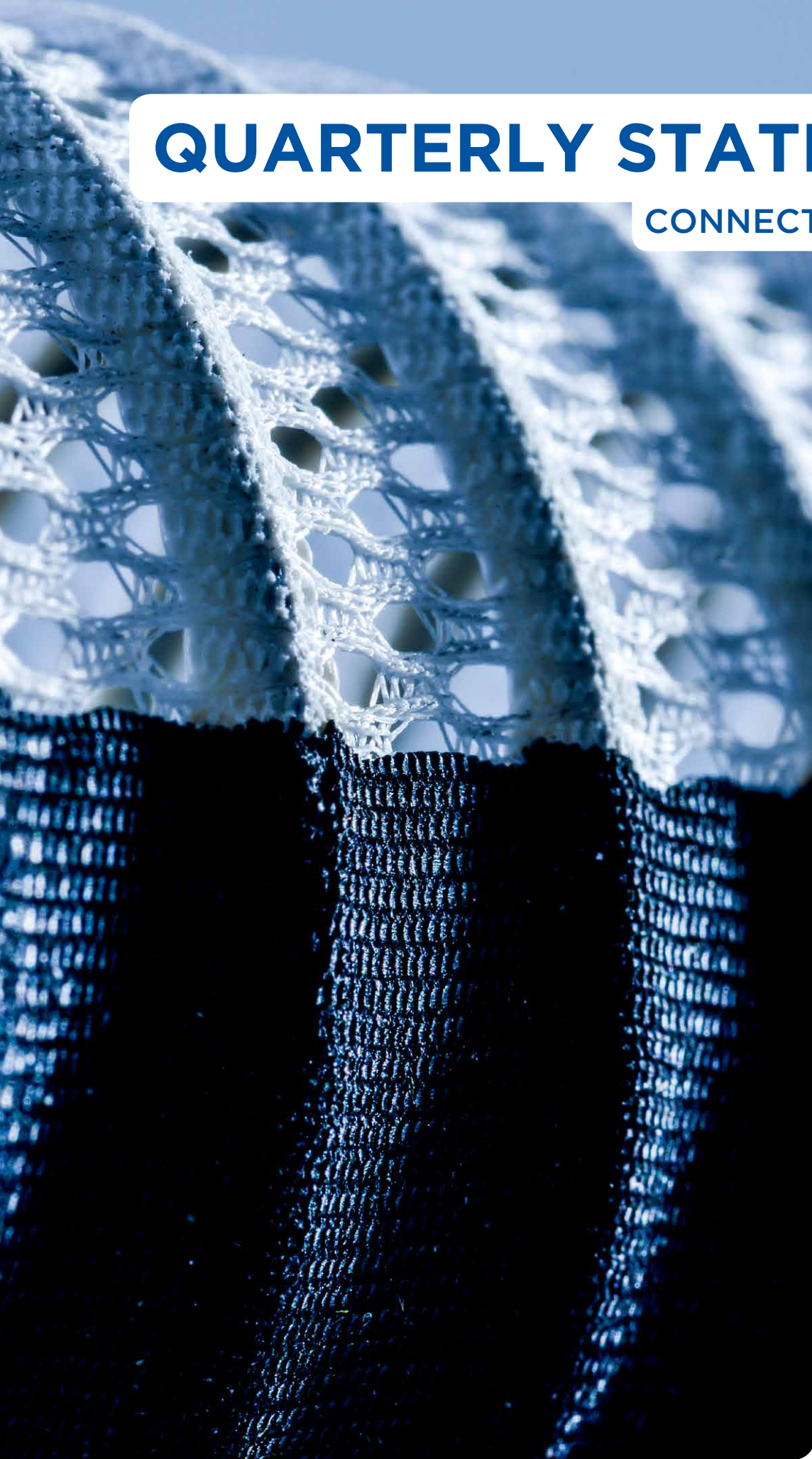


MASTERFLEX SE

QUARTERLY STATEMENT

CONNECTING VALUES



1/2019

MASTERFLEX AT A GLANCE

in €k	31.03.2019	31.03.2018
Consolidated revenue	21,123	20,036
EBITDA	2,979	2,770
EBIT (operative)	2,076	1,963
EBIT	2,061	1,963
EBT	1,718	1,744
Financial result	-343	-219
Consolidated earnings from continued business units	1,260	1,192
Consolidated earnings from discontinued business units	0	-10
Consolidated net income	1,247	1,190
Consolidated earnings per share (€)		
from continued business units	0.13	0.13
from discontinued business units	0.00	0.00
from continued and discontinued business units	0.13	0.13
EBIT margin (operative)	9.8%	9.8%
Employees	679	643

in €k	31.03.2019	31.12.2018
Consolidated equity	41,930	40,223
Consolidated total assets	79,497	75,173
Consolidated equity ratio	52.7%	53.5%

MASTERFLEX SE: PLEASING REVENUE AND EARNINGS GROWTH IN THE FIRST QUARTER OF 2019

- **Revenue increase of 5.4% to EUR 21.1 million**
- **EBITDA and operating EBIT grow overproportionately**
- **Further margin improvement targeted through already announced optimisation programme**
- **Dividend proposal of EUR 0.07 per share**

Gelsenkirchen, 10 May 2019 – The Masterflex Group got off to a very good start in 2019 and increased its revenue by 5.4% from EUR 20.0 million to EUR 21.1 million in the first quarter of 2019. This positive course of business included in particular the non-European companies, the medical segment and the fluoropolymer segment. For example, the revenue development in China was very pleasing, while business in Great Britain was slightly dampened by the effects of the Brexit. In other important foreign markets such as the USA and Brazil, the development was also very satisfactory.

Dr. Andreas Bastin, CEO of Masterflex Group: “The development in the first quarter of 2019 has once again demonstrated the healthy dynamism of our core business. This also shows how important it is for us to have a broad international base. In Europe, we are currently slightly below our expectations in some areas, while developments particularly in the USA, Brazil and China are very positive. However, we are not satisfied with this overall good business performance and are therefore working intensively on a comprehensive optimisation programme for our entire Group, which we will present in summer 2019. Ultimately, the aim is to realise the existing potential of a double-digit EBIT margin, which several of our subsidiaries are showing on a permanent basis and which we as a Group have already been able to achieve in the past, on a sustainable basis despite the changed environment.” Masterflex’s central goal is to further increase the international growth dynamic by rolling out the entire product range even more consistently in the most important international markets, and to steadily expand its own position as an innovation and technology leader, as has recently been demonstrated by the new successes with the world’s first digitally equipped hoses. At the same time, the own operational excellence is to be further developed and the focus on the optimisation of business processes is to be further strengthened. Dr. Andreas Bastin: “Our aspiration is to once again achieve a double-digit EBIT margin on a sustained basis. It is just as important to us that we press ahead with our measures, which are based on the most recent strategic decisions. We have already carried out extensive preparatory work, particularly in the area of digitisation and in the automation of our production, which will additionally secure our leading position in technology and market share.”

EARNINGS POSITION: STABLE EARNINGS GROWTH

In the first quarter of 2019, the Masterflex Group increased EBITDA by 7.5% from EUR 2.8 million to EUR 3.0 million. Operating EBIT also grew slightly overproportionately to revenue growth, rising by 5.8% from EUR 2.0 million to EUR 2.1 million. The EBIT margin was thus 9.8% (previous year: 9.8%). Consolidated net income rose by 4.8% to EUR 1.2 million.

The main earnings driver was the good revenue development. On the other hand, a partial shortage of special plastics and generally rising raw material prices led to a disproportionately high increase of 18.8% in the cost of materials. Personnel expenses rose by 8.7%. This reflects collective labour agreement effects and the measures taken in 2018 increasing the number of employees.

NET ASSETS AND FINANCIAL POSITION: PROFIT GROWTH STRENGTHENS EQUITY

The 5.8% increase in total assets to EUR 79.5 million is primarily attributable to a 12.7% rise in current assets to EUR 33.9 million (31 December 2018: EUR 30.1 million). Inventories increased by 9.8% to EUR 18.3 million (31 December 2018: EUR 16.7 million), on the one hand as a result of targeted stockpiling and on the other hand as a result of slightly higher inventories of finished goods. Trade receivables climbed 24.0% to EUR 9.5 million (31 December 2018: EUR 7.5 million), mainly due to balance sheet date related factors.

The equity development followed the good profit development with an increase in equity of 4.2%. Calculated, the equity ratio fell slightly from 53.5% to 52.7%. While non-current liabilities declined moderately from EUR 20.9 million to EUR 20.6 million, current liabilities increased by 20.7% from EUR 14.1 million to EUR 17.0 million. This was due to an increase in current liabilities to banks, which was directly related to the increase in current assets.

Cash flow from operating activities was also affected by the disproportionately high increase in working capital. This somewhat masked the effects of the good earnings development. In total, the operating cash flow was slightly negative as in the same period of the previous year (EUR -0.1 million after EUR -0.2 million). Investment activities continued to follow the basic investment strategy and, at EUR 1.4 million, were slightly higher than the level of EUR 1.1 million in the same period of the previous year. The utilisation of a short-term tranche from the syndicated loan agreement resulted in a corresponding cash inflow of EUR 3.0 million.

OUTLOOK: FORECAST FOR 2019 CONFIRMED

For the 2019 financial year as a whole, the Masterflex Group has set itself the goal of growing at a comparable rate to 2018 and accordingly achieving revenue growth in the range of 3.0% to 6.0%. On the earnings side, Masterflex will focus in 2019 on measures for improved efficiency and additional economies of scale – with the aim of increasing operating EBIT year-on-year.

At the Annual General Meeting on 28 May 2019 in Gelsenkirchen, the Executive Board and Supervisory Board will propose to distribute a dividend of EUR 0.07 per share for the 2018 financial year.

CONSOLIDATED BALANCE SHEET

Assets in €k	31.03.2019*	31.12.2018
NON-CURRENT ASSETS		
Intangible assets	12,715	12,529
Concessions, industrial property rights	1,853	887
Development costs	1,025	947
Goodwill	9,187	9,187
Advance Payments	650	1,508
Property, plant and equipment	32,288	31,892
Land and buildings	16,354	16,542
Technical equipment and machinery	12,061	11,782
Other equipment, operating and office equipment	2,761	2,787
Advance payments and assets under construction	1,112	781
Financial assets	102	98
Non-current financial instruments	102	98
Other assets	33	29
Deferred taxes	427	511
	45,565	45,059
CURRENT ASSETS		
Inventories	18,301	16,662
Raw materials, consumables and supplies	9,338	8,050
Unfinished goods and services	733	581
Finished goods and products	8,214	8,025
Advance payments	16	6
Receivables and other assets	10,192	8,217
Trade receivables	9,496	7,490
Other assets	696	725
Other financial assets	0	2
Income tax assets	206	865
Cash in hand and bank balances	5,233	4,370
	33,932	30,114
Total assets	79,497	75,173

* unaudited

CONSOLIDATED BALANCE SHEET

Equity and liabilities in €k	31.03.2019*	31.12.2018
SHAREHOLDERS' EQUITY		
Consolidated equity	42,414	40,720
Subscribed capital	9,618	9,618
Capital reserve	31,306	31,306
Retained earnings	2,436	1,189
Reserve for the market valuation of financial instruments	-606	-609
Hedging instruments	-31	-31
Exchange differences	-309	-753
Minority interests	-484	-497
Total equity	41,930	40,223
NON-CURRENT LIABILITIES		
Provisions	105	209
Financial liabilities	18,605	18,856
Other liabilities	962	956
Deferred taxes	921	861
	20,593	20,882
CURRENT LIABILITIES		
Provisions	150	632
Financial liabilities	10,143	7,643
Income tax liabilities	403	249
Other liabilities	6,278	5,544
Trade payables	2,871	2,101
Other liabilities	3,407	3,443
	16,974	14,068
Total equity and liabilities	79,497	75,173

* unaudited

CONSOLIDATED INCOME STATEMENT

Continued business units in €k	01.01.-31.03.2019*	01.01.-31.03.2018*
1. Revenue	21,123	20,036
2. Increase or decrease in inventories of finished and unfinished goods	226	-221
3. Other own work capitalised	49	49
4. Other income	424	98
Operating revenue	21,822	19,962
5. Cost of materials	-7,089	-5,968
6. Staff costs	-8,138	-7,487
7. Depreciation	-903	-807
8. Other expenses	-3,631	-3,737
9. Financial result		
Financial expenses	-344	-220
Other financial result	1	1
10. Earnings before taxes	1,718	1,744
11. Income tax expenses	-458	-552
12. Earnings after taxes from continued business units	1,260	1,192
Discontinued business units in €k		
13. Earnings after taxes from discontinued business units	0	-10
14. Consolidated net income	1,260	1,182
thereof minority interests	13	-8
thereof attributable to shareholders of Masterflex SE	1,247	1,190
Earnings per share (diluted and non-diluted)		
from continued business units	0.13	0.13
from discontinued business units	0.00	0.00
from continued and discontinued business units	0.13	0.13

* unaudited

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in €k	01.01.-31.03.2019*	01.01.-31.03.2018*
Consolidated net income	1,260	1,182
Other result		
Items that are subsequently reclassified to profit or loss if certain conditions are fulfilled		
1. Exchange gains/losses on the translation of foreign financial statements	459	-343
2. Changes in fair values of financial instruments	3	11
3. Income taxes	-15	14
4. Other result after taxes	447	-318
5. Comprehensive income	1,707	864
Comprehensive income	1,707	864
thereof minority interests	13	-8
thereof attributable to shareholders of Masterflex SE	1,694	872

* unaudited

CONSOLIDATED CASH FLOW STATEMENT

in €k	31.03.2019*	31.03.2018*
Result for the period before taxes, interest expenses and financial income	1,991	1,971
Income tax expenses	-247	-894
Depreciation on property, plant and equipment and intangible assets	903	807
Decrease in provisions	-586	-311
Other non-cash income and gains from the disposal of non-current assets	-36	-57
Increase of inventories	-1,639	-279
Increase of trade receivables and other assets not attributable to investment or financing activities	-1,238	-1,673
Increase of trade payables and other liabilities not attributable to investment or financing activities	710	189
Cash flow from operating activities	-142	-247
Payments for investments in non-current assets	-1,435	-1,098
Cash flow from investment activities	-1,435	-1,098
Interest and dividend income	1	1
Interest payments	-255	-172
Proceeds from raising loans	3,000	1,000
Payments for the repayment of loans	-750	-625
Cash flow from financing activities	1,996	204
Cash-effective changes in cash and cash equivalents	419	-1,141
Changes in cash and cash equivalents due to exchange rates and other factors	444	-329
Cash and cash equivalents at the start of the period	4,370	5,336
Cash and cash equivalents at the end of the period	5,233	3,866

* unaudited