

# Financial Statement Q1 2023



## Positive revenue and EBIT development

### Q1

		Q1 2023	Q1 2022	Change	
				absolute	in %
Revenue	€m	109.2	101.0	8.2	8.1
EBIT	€m	5.5	4.6	0.9	19.6
EBIT margin	%	5.0	4.6	0.4	–
EBT	€m	5.1	4.5	0.6	13.3
Net income	€m	3.5	2.3	1.2	52.2
Employees at reporting date	persons	1,785	1,788	–3	–0.2
Number of shares	units	13,382,324	13,382,324	0	0.0
Earnings per share	€	0.26	0.17	0.09	52.2
Free cash flow	€m	1.9	–3.6	5.5	152.8
Net cash outflow from investing activities	€m	11.1	1.2	9.9	825.0
Equity ratio	%	31.2	36.0	–4.8	–

#### ■ Group revenue increased in all product segments

WashTec generated revenue of €109.2m in the first three months of the year, a new record for a first quarter and a significant 8.1% increase on the prior year (€101.0m).

#### ■ Significant increase in Group EBIT

EBIT, at €5.5m, 19.6% higher than prior year due to positive revenue performance and strict cost management (prior year: €4.6m); EBIT margin in traditionally weak first quarter: 5.0% (prior year: 4.6%).

#### ■ Positive free cash flow

Despite a high level of investment activity, notably including the acquisition of the site occupied by the US subsidiary, the Group generated a positive free cash flow of €1.9m (prior year: €–3.6m).

#### ■ Full year guidance for 2023 confirmed

Revenue on a similar level to the prior year with a significant increase in EBIT.

*Figures in this report are rounded. Because of this, individual figures may not add up to the stated totals and percentages may not precisely correspond to the absolute figures they relate to.*

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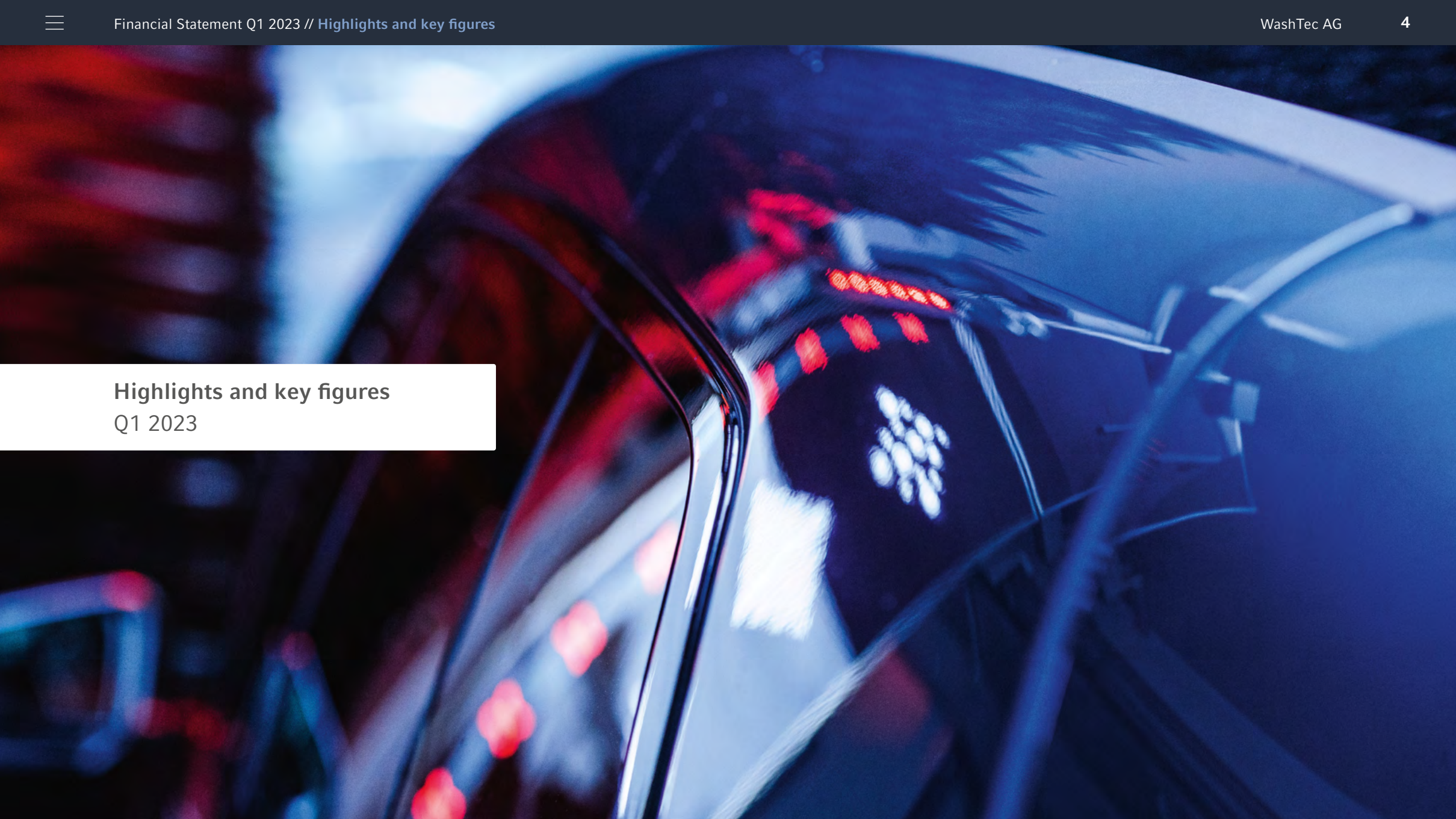
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**Highlights and key figures**  
Q1 2023

## Business performance

### Earnings, Q1

in €m	Q1 2023	Q1 2022	Change	
			absolute	in %
Revenue	109.2	101.0	8.2	8.1
EBIT	5.5	4.6	0.9	19.6
EBIT margin in %	5.0	4.6	0.4	–
EBT	5.1	4.5	0.6	13.3
Net income	3.5	2.3	1.2	52.2

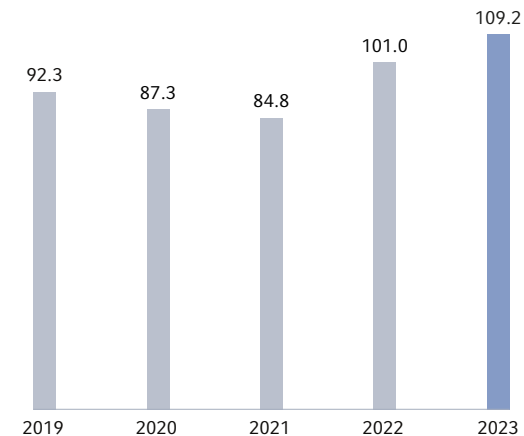
### 1. Group revenue and earnings

The WashTec Group generated **revenue** of €109.2m in the first quarter, up 8.1% on the prior year (€101.0m). This is a new record for the first three months of a fiscal year. At constant exchange rates, the revenue growth in the first three months was 8.4%.

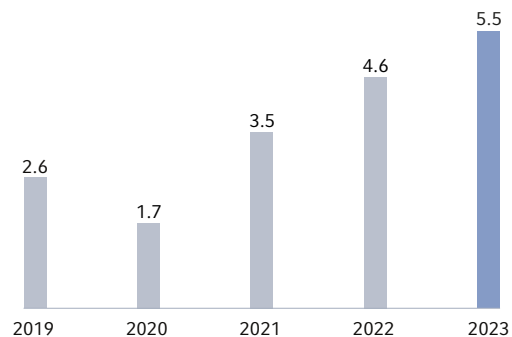
### Revenue by product, Q1

in €m	Q1 2023	Q1 2022	Change	
			absolute	in %
Equipment and service	91.1	83.9	7.2	8.6
Chemicals	16.7	15.6	1.1	7.1
Other	1.3	1.5	–0.2	–13.3
<b>Total</b>	<b>109.2</b>	<b>101.0</b>	<b>8.2</b>	<b>8.1</b>

### Revenue Q1 in multi-year comparison in €m



Revenue increased compared to the prior-year quarter in all product segments due to the price increases implemented over the course of the last year and at the beginning of this year. The number of machines sold also increased. With regard to the customer mix, there was an increase in key account business but a slight decrease in direct sales business.

**EBIT Q1 in multi-year comparison in €m**


**Order intake** in the first quarter was down year on year, with demand in the market as a whole currently somewhat slow. Accordingly, the **order backlog** at the end of March was slightly down on a year earlier.

**Gross profit** increased in the first three months to €27.8m (prior year: €27.1m) as a result of the revenue growth. The gross profit margin fell from 26.8% to 25.5%. Costs of material, material procurement and energy remained at a high level after rising significantly over the past year. With order lead times of four to six months, it has not yet been possible to offset this with the Company's own price rises.

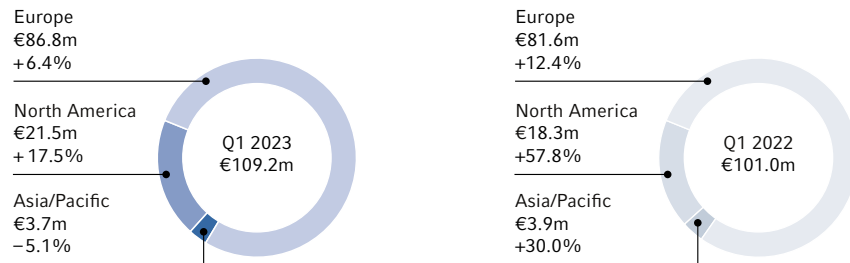
In total, **functional costs** (the sum of research and development expenses, selling expenses and administrative expenses) in the first three months were down on the prior year as a result of strict cost management. As a percentage of revenue, functional costs decreased from 22.8% to 21.0%. The slight increase in selling expenses was mainly due to significantly higher outbound freight costs.

Mostly as a result of the revenue growth, Group **EBIT** increased significantly in the first three months of the year by 19.6% to €5.5m (prior year: €4.6m). The EBIT margin was 5.0%, up from 4.6% in the prior-year quarter.

Significant increases in base rates had a negative impact on the **financial result**, which fell in the first quarter to €-0.3m (prior year: €-0.2m).

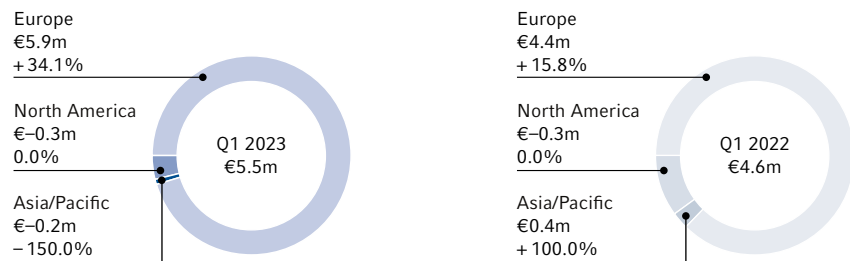
## 2. Revenue and earnings by region

### Revenue by regions in €m\*



\* cross-segment consolidation effects are disregarded.  
Percentage change from comparative period

### EBIT by regions in €m\*



\* cross-segment consolidation effects are disregarded.  
Percentage change from comparative period

In **Europe**, revenue increased slightly by 6.4% in the first quarter to €86.8m (prior year: €81.6m). At constant exchange rates, the increase was 7.7%, mainly due to changes in the Norwegian krone exchange rate. The growth was a result of higher equipment sales and the implemented price increases. Key account business clearly predominated here. Chemicals revenue also performed positively.

Revenue in **North America** was significantly higher than in the prior year, with an increase of 17.5% to €21.5m (prior year: €18.3m). At constant exchange rates, the increase was 13.7%. This development is attributable to the Equipment and Service product segment, mainly due to higher equipment sales.

In the **Asia/Pacific** region, revenue in the first three months came to €3.7m. This represents a year-on-year decrease of €0.2m (prior year: €3.9m). Revenue grew in China, while Australia saw a slow start to the year.

### Revenue by regions, Q1

in €m	Q1 2023	Q1 2022	Change	
			absolute	in %
Europe	86.8	81.6	5.2	6.4
North America	21.5	18.3	3.2	17.5
Asia/Pacific	3.7	3.9	-0.2	-5.1
Consolidation	-2.9	-2.9	0	-
<b>Total</b>	<b>109.2</b>	<b>101.0</b>	<b>8.2</b>	<b>8.1</b>

EBIT in the **Europe** region increased by a significant 34.1% to €5.9m in the first quarter (prior year: €4.4m) as a result of the positive revenue performance and the strict cost management.

Despite a significant increase in revenue, EBIT in the **North America** region was at the same level as the prior year at €−0.3m (prior year: €−0.3m). In order to sustainably increase profitability, an efficiency program was launched in the first quarter and work has begun on its implementation. The Group expects a positive contribution from this in the current fiscal year.

Due to the decline in revenue in the first quarter, the **Asia/Pacific** region generated a small loss of €−0.2m (prior year: €0.4m).

#### EBIT by regions, Q1

in €m	Q1 2023	Q1 2022	Change	
			absolute	in %
Europe	5.9	4.4	1.5	34.1
North America	−0.3	−0.3	0	0.0
Asia/Pacific	−0.2	0.4	−0.6	−150.0
Consolidation	0.1	0.1	0	−
<b>Total</b>	<b>5.5</b>	<b>4.6</b>	<b>0.9</b>	<b>19.6</b>

### 3. Group financial position and cash flows

**Net operating working capital** (trade receivables + inventories – trade payables – prepayments on orders) decreased relative to December 31, 2022 by €4.4m or 4.2%, from €105.2m to €100.8m. Trade receivables decreased significantly from the high level of the fourth quarter. Relative to March 31, 2022, net operating working capital increased by €10.5m or 11.6%. The high overall figure is mainly because inventories are still at a high level. Work on optimizing inventories is proceeding according to plan.

**Equity** increased slightly to €91.0m as of March 31, 2023 (December 31, 2022: €88.1m). The equity ratio, at 31.2%, was slightly up on the 2022 year-end (31.0%).

The **cash inflow from operating activities** increased to €13.0m in the three months to March 2023 (prior year: cash outflow of €2.4m), due among other things to the higher gross cash flow and the reduction in net operating working capital.



The **cash outflow from investing activities** amounted to €11.1m in the first three months (prior year: €1.2m). The increase in the cash outflow is mainly due to the acquisition of the site occupied by the US subsidiary. This was purchased effective January 2, 2023 following the termination of the previous lease agreement. The purchase price was USD 10.3m. This was financed by long-term, five-year US dollar bank loans in the same amount. The loan agreements include both fixed and variable components.

Despite the significantly higher capital expenditure, **free cash flow** (cash inflow from operating activities – cash outflow from investing activities) improved significantly, due to the sharp rise in the cash inflow from operating activities, from €–3.6m in the prior year to €1.9m.

The **cash inflow from financing activities** amounted to €6.8m (prior year: cash outflow of €2.4m). This change resulted from long-term bank loans taken out for the acquisition of the site occupied by the US subsidiary.

In total, **cash funds** improved significantly relative to December 31, 2022 by €8.3m to €–18.8m.

## 4. Outlook

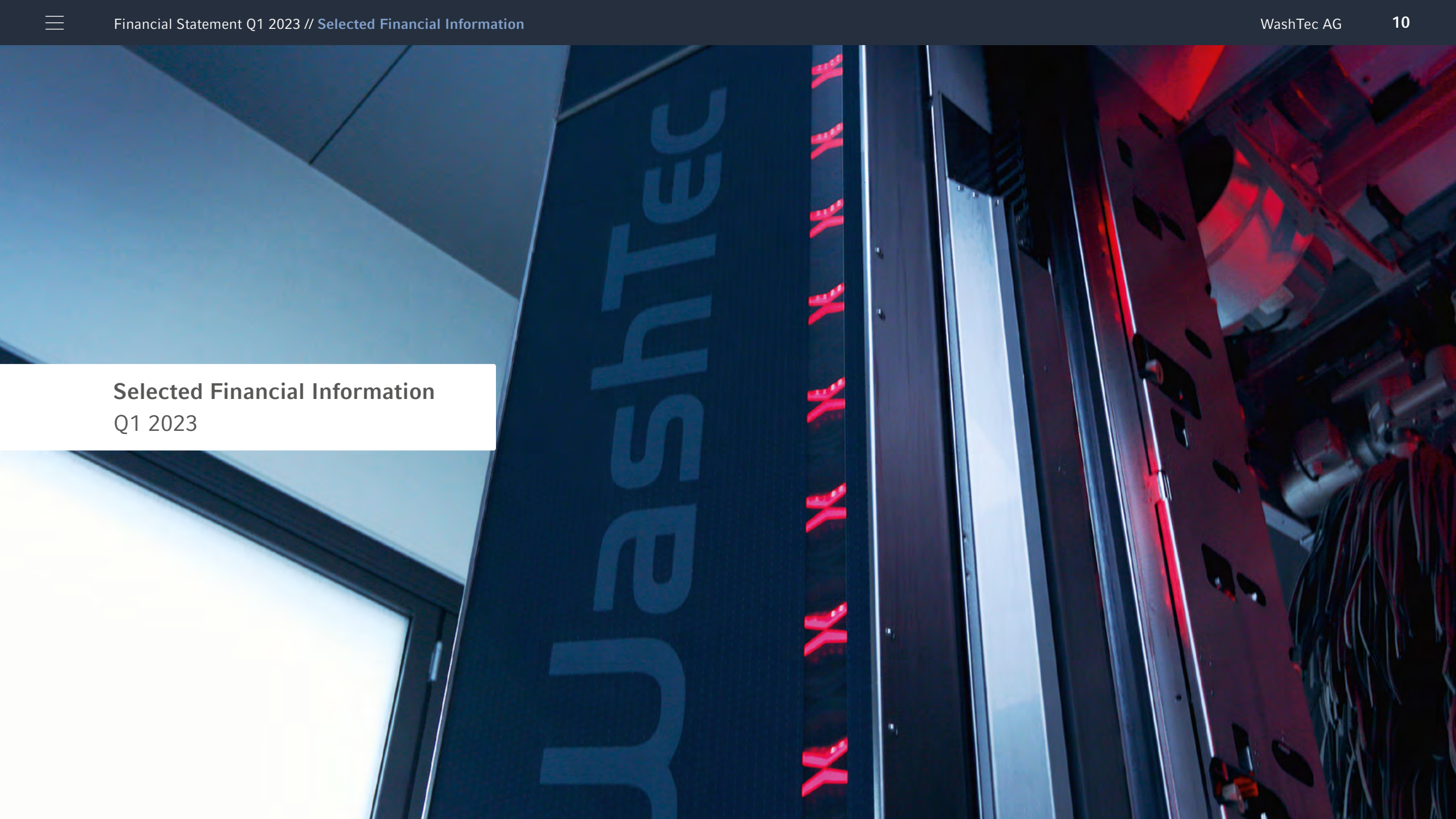
### Guidance

The guidance given in the Annual Report 2022 continues to apply unaltered. For fiscal year 2023, the Group is targeting revenue on a similar level to the prior year with a significant increase in EBIT.

This guidance is subject to uncertainties.

### Opportunities and risks

The WashTec Group's opportunity and risk management system is described in the Annual Report 2022. There have been no material changes in the risks described therein. The risks relating to overall economic development increased slightly compared to the assessment in the Annual Report 2022, particularly at the end of the first quarter, due in part to the uncertainties in the financial sector. There have been no material changes in the remaining opportunities and risks described in the Annual Report.



**Selected Financial Information**  
Q1 2023

## Consolidated Income Statement

in €k	Q1 2023	Q1 2022
Revenue	109,167	101,021
Cost of sales	-81,358	-73,946
<b>Gross profit</b>	<b>27,809</b>	<b>27,075</b>
Research and development expenses	-3,530	-3,609
Selling expenses	-15,100	-14,503
Administrative expenses	-4,250	-4,944
Other income	1,652	2,279
Other expenses	-1,108	-1,668
<b>Earnings before interest and taxes (EBIT)</b>	<b>5,473</b>	<b>4,630</b>
Financial income	260	7
Financial expenses	-584	-186
<b>Financial result</b>	<b>-324</b>	<b>-179</b>
<b>Earnings before taxes (EBT)</b>	<b>5,149</b>	<b>4,451</b>
Income taxes	-1,677	-2,148
<b>Net income</b>	<b>3,472</b>	<b>2,303</b>
<b>Average number of shares in units</b>	<b>13,382,324</b>	<b>13,382,324</b>
<b>Earnings per share (basic = diluted) in €</b>	<b>0.26</b>	<b>0.17</b>

## Consolidated Balance Sheet Assets

in €k	Mar 31, 2023	Dec 31, 2022
Property, plant and equipment	34,876	25,268
Goodwill	42,312	42,312
Intangible assets	6,854	7,032
Right-of-use assets	16,457	17,337
Non-current trade receivables	3,617	3,430
Other non-current financial assets	270	277
Other non-current non-financial assets	538	538
Deferred tax assets	4,105	3,856
<b>Non-current assets</b>	<b>109,028</b>	<b>100,051</b>
Inventories	79,401	71,647
Current trade receivables	70,319	78,801
Tax receivables	9,940	16,028
Other current financial assets	2,314	1,486
Other current non-financial assets	4,592	2,255
Cash and cash equivalents	16,075	14,215
<b>Current assets</b>	<b>182,641</b>	<b>184,432</b>
<b>Assets</b>	<b>291,669</b>	<b>284,483</b>

## Consolidated Balance Sheet Equity and Liabilities

in €k	Mar 31, 2023	Dec 31, 2022
Subscribed capital	40,000	40,000
Capital reserves	36,463	36,463
Treasury shares	-13,177	-13,177
Other reserves and currency translation effects	-3,528	-2,942
Profit carried forward	27,781	1,426
Net income	3,472	26,355
<b>Equity</b>	<b>91,011</b>	<b>88,125</b>
Non-current interest-bearing loans	7,494	0
Non-current lease liabilities	9,604	10,166
Provisions for pensions	8,565	8,528
Other non-current provisions	2,721	3,199
Other non-current financial liabilities	201	168
Other non-current non-financial liabilities	1,409	1,522
Non-current contract liabilities	1,628	1,738
Deferred tax liabilities	1,692	1,600
<b>Non-current liabilities</b>	<b>33,314</b>	<b>26,920</b>
Current interest-bearing loans	36,567	41,362
Current lease liabilities	7,633	7,936
Trade payables	24,952	22,711
Income tax liabilities	1,732	7,514
Other current financial liabilities	24,279	20,597
Other current non-financial liabilities	27,200	25,606
Other current provisions	8,765	9,087
Current contract liabilities	36,215	34,625
<b>Current liabilities</b>	<b>167,343</b>	<b>169,437</b>
<b>Equity and liabilities</b>	<b>291,669</b>	<b>284,483</b>

## Consolidated Cash Flow Statement

in €k	Q1 2023	Q1 2022
<b>Earnings before taxes (EBT)</b>	<b>5,149</b>	<b>4,451</b>
Amortization, depreciation and impairment	3,625	3,553
Gain/loss from disposals of non-current assets	-70	-133
Other gains/losses	-2,491	-1,905
Financial income	-260	-7
Financial expenses	584	186
Movements in provisions	-727	-485
Income tax paid	-1,564	-5,002
<b>Gross cash flow</b>	<b>4,245</b>	<b>659</b>
Increase/decrease in trade receivables	8,111	936
Increase/decrease in inventories	-8,371	-10,116
Increase/decrease in trade payables	2,438	4,925
Increase/decrease in prepayments on orders	1,864	1,451
<b>Increase/decrease in net operating working capital</b>	<b>4,041</b>	<b>-2,804</b>
Changes in other net working capital	4,693	-288
<b>Net cash in-/outflow from operating activities</b>	<b>12,980</b>	<b>-2,433</b>
Purchase of property, plant and equipment (without leases)	-11,180	-1,358
Proceeds from sale of property, plant and equipment	98	153
<b>Net cash outflow from investing activities</b>	<b>-11,082</b>	<b>-1,205</b>
<b>Free cash flow</b>	<b>1,898</b>	<b>-3,638</b>
Assumption of interest-bearing loans	9,720	0
Repayment of interest-bearing loans	-276	0
Interest received	74	7
Interest paid	-584	-186
Repayment of lease liabilities	-2,126	-2,176
<b>Net cash in-/outflow from financing activities</b>	<b>6,808</b>	<b>-2,355</b>
<b>Net increase/decrease in cash funds</b>	<b>8,707</b>	<b>-5,993</b>
<b>Net foreign exchange difference</b>	<b>-397</b>	<b>402</b>
<b>Cash funds at January 1</b>	<b>-27,147</b>	<b>4,538</b>
<b>Cash funds at March 31</b>	<b>-18,837</b>	<b>-1,053</b>



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**Financial Calendar**

May 15, 2023	Annual General Meeting 2023
Aug 3, 2023	Q2 Report 2023
Nov 2, 2023	Quarterly statement Q1–3 2023