

Financial Statement Q1 2024



First-quarter EBIT margin at prior-year level despite slow start to the year

Q1					
		Q1 2024	Q1 2023	Change	
				absolute	in %
Revenue	€m	100.8	109.2	-8.4	-7.7
EBIT	€m	5.1	5.5	-0.4	-7.3
EBIT margin	%	5.1	5.0	-	10 bp
Net income	€m	3.1	3.5	-0.4	-11.4
Number of shares in circulation	units	13,382,324	13,382,324	0	0
Earnings per share	€	0.23	0.26	-0.03	-11.4
Free cash flow	€m	9.3	1.9	7.4	389.5
Net cash outflow from investing activities	€m	1.4	11.1	-9.7	-87.4
Equity ratio	%	33.9	31.2	-	270 bp
Employees at reporting date	persons	1,694	1,785	-91	-5.1

bp: basis point (1/100th of a percentage point)

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.

■ Revenue down on prior year

WashTec generated revenue of €100.8m in the first three months, down 7.7% on the prior year (€109.2m). This was mainly the result of lower sales of equipment, particularly to key accounts in North America.

■ EBIT margin at prior-year level

Despite the lower revenue, EBIT in the first three months amounted to €5.1m, only slightly down on the prior year (€5.5m). As a result, the EBIT margin increased slightly to 5.1% (prior year: 5.0%). Adjusted for one-off expenses of around €1m, EBIT rose by around 11% compared to the prior-year quarter.

■ Increase in free cash flow

Free cash flow improved in the first three months to €9.3m (prior year: €1.9m) due to lower capital expenditure and a refund of capital gains tax prepayments.

■ Guidance for full year 2024

The WashTec Group confirms its guidance for fiscal year 2024.

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Highlights and key figures
Q1 2024

Business performance

Earnings, Q1

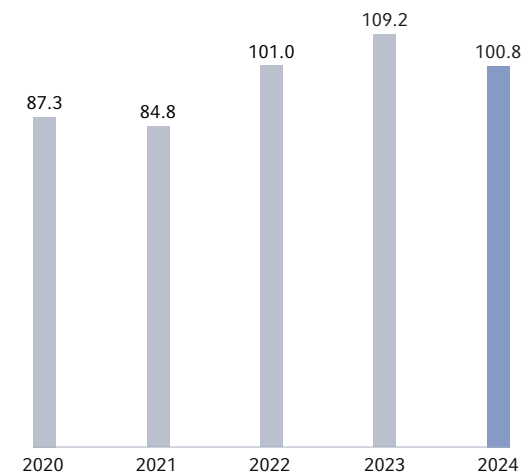
in €m	Q1 2024	Q1 2023	Change	
			absolute	in %
Revenue	100.8	109.2	-8.4	-7.7
EBIT	5.1	5.5	-0.4	-7.3
EBIT margin in %	5.1	5.0	-	10 bp
Net income	3.1	3.5	-0.4	-11.4

1. Group revenue and earnings

Orders received were lower in the first quarter than in the prior-year quarter due to the drop in demand in the market as a whole. Due to the lower orders received, the **order backlog** as of the end of March also fell below the prior-year figure.

The WashTec Group generated **revenue** of €100.8m in the first three months of the year, a decrease of €8.4m or 7.7% on the prior year (€109.2m). On an exchange rate adjusted basis, revenue was 7.9% down on the prior year.

Revenue Q1 in €m, multi-year comparison



At €84.5m, equipment and service revenue was down on the prior-year figure (€91.1m). This is mainly due to weaker sales of equipment, particularly to key accounts in North America. Chemicals revenue fell from €16.7m in the prior-year quarter to €14.9m, mainly due to a weather-related fall in carwash volumes.

Revenue by product, Q1

in €m	Q1 2024	Q1 2023	Change	
			absolute	in %
Equipment and service	84.5	91.1	-6.6	-7.2
Chemicals	14.9	16.7	-1.8	-10.8
Other	1.4	1.3	0.1	7.7
Total	100.8	109.2	-8.4	-7.7

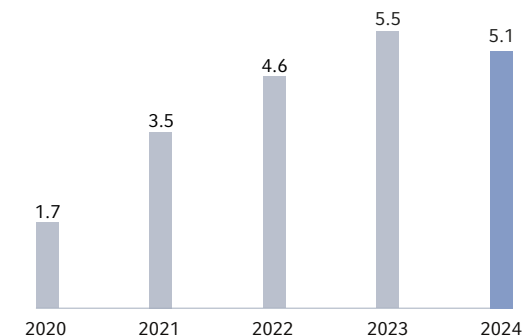
Despite the lower revenue, **gross profit** as of March, at €29.0m, was up on the prior year (€27.8m). The implemented efficiency programs notably contributed here. The fall in material prices supported this positive development. The gross profit margin increased significantly from 25.5% to 28.8%.

Functional costs, the sum of research and development expenses, selling expenses and administrative expenses, amounted to €24.0m in the first three months of the fiscal year (prior year: €22.9m). Research and development expenses were higher than the prior year, at €3.8m (prior year: €3.5m). The increase mainly related to additional activities to speed up the exploitation of market potential in Europe and North America. Selling expenses as

a percentage of revenue increased, mainly due to the lower revenue, from 13.8% in the prior year to 14.5%. Administrative expenses, at €5.6m were significantly higher than the prior year (€4.3m). The increase was mainly due to one-off expenses in connection with the change of CEO and expenses for cost optimization of the new product generation. The total amount of one-off expenses was around €1m.

In total, Group **EBIT** decreased in the first three months to €5.1m (prior year: €5.5m) The EBIT margin was 5.1% (prior year: 5.0%) and thus matched the prior-year level despite the lower revenue. Adjusted for one-off expenses, EBIT rose to around €6m, significantly higher than in the prior year.

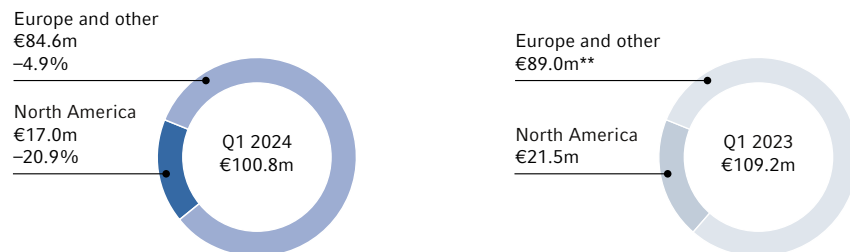
EBIT Q1 in €m, multi-year comparison



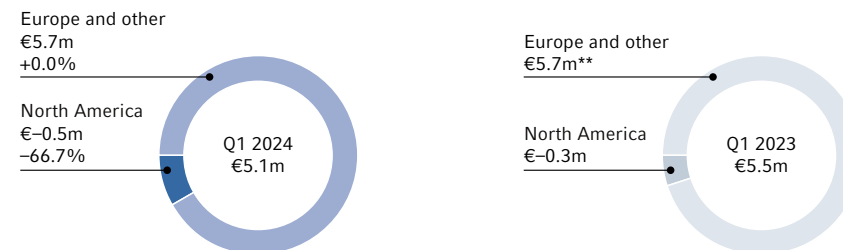
2. Revenue and earnings by region

Following the sale of the shares in the Chinese subsidiary in December 2023, and in connection with the strategy of focusing on the core regions of Europe and North America as described in the Annual Report 2023, management has also made changes to the WashTec Group's regional reporting structure. As a result of this, the Asia/Pacific region has been made part of the Europe region from fiscal year 2024. The Europe region has been renamed "Europe and other". The North America region retains its existing structure. Comparative information has also been prepared on the basis of the new structure.

Revenue by regions in €m*



EBIT by regions in €m*



In the **Europe and other** region, revenue fell by 4.9% in the first three months, from €89.0m** to €84.6m. The fall in revenue cut across all product segments and is primarily attributable to the weaker sales figures for equipment due to the difficult market conditions, particularly in the direct sales business, as well as the weather-related fall in carwash volumes in the chemicals business.

EBIT in the region was €5.7m in the first quarter (prior year: €5.7m**). Despite weaker revenue, EBIT was maintained at the prior-year level thanks to lower material prices and cost-cutting measures.

Revenue in **North America**, at €17.0m in the first three months, was a significant 20.9% down on the prior year (€21.5m), mainly due to the lower volume of key account business. In US dollar terms, revenue fell by 20.3%.

At €-0.5m, EBIT in the first three months was significantly lower than in the prior year (€-0.3m). The measures implemented last year to increase profitability in this region on a lasting basis meant that EBIT was only €0.2m down despite the fall in revenue.

* Cross-segment consolidation effects are disregarded. Percentage change relative to comparative period.

** Comparative information prepared on the basis of the modified reporting structure applicable from January 1, 2024.

Revenue by regions, Q1

in €m	Q1 2024	Q1 2023	Change	
			absolute	in %
Europe and other	84.6	89.0*	-4.4	-4.9
North America	17.0	21.5	-4.5	-20.9
Consolidation	-0.8	-1.3*	0.5	-
Total	100.8	109.2	-8.4	-7.7

EBIT by regions, Q1

in €m	Q1 2024	Q1 2023	Change	
			absolute	in %
Europe and other	5.7	5.7*	0.0	0.0
North America	-0.5	-0.3	-0.2	-66.7
Consolidation	0.0	0.1*	-0.1	-
Total	5.1	5.5	-0.4	-7.3

3. Group financial position and cash flows

Net operating working capital (trade receivables + inventories – trade payables – prepayments on orders) increased relative to December 31, 2023, rising €6.4m or 7.7% from €83.5m to €89.9m. The higher net operating working capital compared to the prior year-end mainly related to the usual rise in inventories due to the start of business in the first quarter. Relative to March of the prior year, the figure fell by a significant €10.9m (prior year: €100.8m).

Equity amounted to €89.1m as of March 31, 2024 (December 31, 2023: €85.8m). Compared to the 2023 year-end, the equity ratio increased from 31.6% to 33.9%. The equity ratio also increased compared to March of the prior year (31.2%).

The **cash inflow from operating activities** fell in the three months to March to €10.7m (prior year: €13.0m), mainly due to the higher net operating working capital. This was partially offset by a refund of capital gains tax prepayments. In the second quarter of 2024, this effect will be neutralized by a capital gains tax prepayment due to intragroup distributions.

The **cash outflow from investing activities**, at €1.4m in the first three months, was a significant €9.7m lower than in the prior year (€11.1m). In the prior year, this item included €9.5m for the acquisition of the site occupied by the American subsidiary.

* Comparative information prepared on the basis of the modified reporting structure applicable from January 1, 2024.

Free cash flow (cash inflow from operating activities – cash outflow from investing activities) increased to €9.3m (prior year: €1.9m).

The **net cash outflow from financing activities** was €4.0m (prior year: cash inflow of €6.8m) and mainly comprises the repayment of lease liabilities and interest-bearing loans.

Cash funds improved compared to December 31, 2023 due to the positive first-quarter cash flow of €5.2m, rising from €–15.6m to €–10.4m.

4. Outlook

Guidance

The WashTec Group confirms the guidance for fiscal year 2024 and expects revenue on a similar level to the prior year and an increase in EBIT in the mid single-digit percentage range.

Revenue and EBIT in the Europe and other and the North America region are expected to develop in line with the targeted Group performance.

This guidance is subject to uncertainties.

Opportunities and risks

The WashTec Group's opportunity and risk management system is described in the Annual Report 2023. There have been no material changes over the first quarter in the opportunities and risks described there.



Selected financial information
Q1 2024

Consolidated Income Statement

in €k	Q1 2024	Q1 2023
Revenue	100,756	109,167
Cost of sales	-71,793	-81,358
Gross profit	28,963	27,809
Research and development expenses	-3,800	-3,530
Selling expenses	-14,648	-15,100
Administrative expenses	-5,559	-4,250
Other income	1,239	1,652
Other expenses	-1,090	-1,108
Earnings before interest and taxes (EBIT)	5,106	5,473
Financial income	206	260
Financial expenses	-723	-584
Financial result	-517	-324
Earnings before taxes (EBT)	4,589	5,149
Income taxes	-1,474	-1,677
Net income	3,116	3,472
Average number of shares in units	13,382,324	13,382,324
Earnings per share (basic = diluted) in €	0.23	0.26

Consolidated Balance Sheet Assets

in €k	Mar 31, 2024	Dec 31, 2023
Property, plant and equipment	33,389	33,725
Goodwill	43,257	43,289
Intangible assets	7,537	7,447
Right-of-use assets	17,467	18,413
Non-current trade receivables	4,098	4,113
Other non-current financial assets	170	201
Other non-current non-financial assets	597	556
Deferred tax assets	3,486	3,478
Non-current assets	110,000	111,222
Inventories	60,821	54,766
Current trade receivables	64,946	68,193
Tax receivables	3,455	16,640
Other current financial assets	1,253	1,643
Other current non-financial assets	4,753	2,170
Cash and cash equivalents	17,917	16,673
Current assets	153,147	160,084
Assets	263,147	271,306

Consolidated Balance Sheet Equity and Liabilities

in €k	Mar 31, 2024	Dec 31, 2023
Subscribed capital	40,000	40,000
Capital reserves	36,463	36,463
Treasury shares	-13,177	-13,177
Other reserves and currency translation effects	-3,567	-3,834
Profit carried forward	26,312	-1,660
Net income	3,116	27,972
Equity	89,147	85,765
Non-current interest-bearing loans	4,602	5,204
Non-current lease liabilities	10,808	11,576
Provisions for pensions	8,108	8,113
Other non-current provisions	2,475	2,671
Other non-current financial liabilities	41	55
Other non-current non-financial liabilities	339	80
Non-current contract liabilities	1,117	1,297
Deferred tax liabilities	1,774	1,741
Non-current liabilities	29,263	30,737
Current interest-bearing loans	29,517	33,916
Current lease liabilities	7,618	7,863
Trade payables	19,810	23,951
Income tax liabilities	4,413	4,699
Other current financial liabilities	20,589	19,117
Other current non-financial liabilities	23,879	25,818
Other current provisions	10,894	11,641
Current contract liabilities	28,018	27,799
Current liabilities	144,737	154,805
Equity and liabilities	263,147	271,306

Consolidated Cash Flow Statement*

in €k	Q1 2024	Q1 2023
Net income	3,116	3,472
Amortization, depreciation and impairment	3,454	3,625
Gain from disposals of non-current assets	-27	-70
Income taxes	1,474	1,677
Other non-payment-related income and expenses	-3,096	-2,491
Financial result	517	324
Gross cash flow	5,438	6,536
Increase/decrease in trade receivables	3,427	8,111
Increase/decrease in inventories	-5,920	-8,371
Increase/decrease in trade payables	-4,191	2,438
Increase/decrease in prepayments on orders	575	1,864
Increase/decrease in net operating working capital	-6,109	4,041
Changes in provisions	-944	-727
Income taxes received/paid	11,497	-1,564
Changes in other net working capital	863	4,693
Net cash inflow from operating activities	10,745	12,980
Purchase of property, plant and equipment (without leases)	-967	-11,180
Proceeds from sale of property, plant and equipment	39	98
Payments for the acquisition of subsidiaries less acquired cash and cash equivalents	-488	0
Net cash outflow from investing activities	-1,416	-11,082
Free cash flow	9,330	1,898
Assumption of interest-bearing loans	0	9,720
Repayment of interest-bearing loans	-1,133	-276
Interest received	48	74
Interest paid	-714	-584
Repayment of lease liabilities	-2,180	-2,126
Net cash in-/outflow from financing activities	-3,978	6,808
Net increase/decrease in cash funds	5,351	8,707
Net foreign exchange difference	-88	-397
Cash funds at January 1	-15,614	-27,147
Cash funds at March 31	-10,351	-18,837

* Since January 1, 2024, the determination of the net cash inflow from operating activities begins with net income and no longer with earnings before taxes (EBT). This results in a change in the composition of the gross cash flow. Income taxes are now additionally included in gross cash flow, while movements in provisions and income tax received/paid are no longer included. The comparative information has been prepared on the basis of the modified reporting structure applicable from January 1, 2024.



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Financial calendar

May 14, 2024	Annual General Meeting 2024
Aug 5, 2024	Q2 Report 2024
Nov 6, 2024	Quarterly statement Q1–3 2024