

MASTERFLEX SE
QUARTERLY STATEMENT 1/2018



CONNECTING VALUES

QUARTERLY STATEMENT 1/2018

MASTERFLEX AT A GLANCE

In €k	31.03.2018	31.03.2017	Change
Consolidated revenue	20,036	19,968	0.3%
EBITDA	2,770	2,727	1.6%
EBIT (operative)	1,963	1,953	0.5%
EBIT margin (operative)	9.8%	9.8%	
EBIT	1,963	1,750	12.2%
EBT	1,744	1,451	20.2%
Consolidated earnings from continued business units	1,192	962	23.9%
Consolidated earnings from discontinued business units	-10	-1	900.0%
Consolidated net income	1,190	958	24.2%
Consolidated earnings per share (€)			
from continued business units	0.13	0.10	30.0%
from discontinued business units	0.00	0.00	
from continued and discontinued business units	0.13	0.10	30.0%
Employees	643	628	2.4%

In €k	31.03.2018	31.12.2017	Change
Consolidated equity	38,260	37,396	2.3%
Consolidated total assets	73,800	72,967	1.1%
Consolidated equity ratio	51.8%	51.3%	

Masterflex Group off to a satisfactory start in financial year 2018

- Stable revenue and earnings growth in the first quarter
- Significant improvement in earnings per share

Gelsenkirchen, 11 May 2018 – Masterflex Group started the financial year 2018 with stable revenues of EUR 20.0 million. This meant that the revenue level of the very strong first quarter of 2017 with its leap in revenue at that time could be repeated, even though holiday-related effects, an extraordinarily high sick-leave rate at almost all European companies and currency effects hampered further revenue growth. Dr. Andreas Bastin, the CEO of Masterflex Group, stated as follows: “We are satisfied with the start of the financial year. The operating development is intact in all areas. The goal for the second quarter is now above all to rapidly process the orders received at the end of 2017 and in the first quarter, which have added up to an order backlog that is high by our standards, and thus to show the forecast growth rates.”

Earnings position

On the earnings side, the good figures of the prior-year quarter were slightly exceeded and the margin confirmed. EBITDA improved from EUR 2.7 million to EUR 2.8 million. With an operating EBIT of EUR 2.0 million, which was also up slightly from the year before, the EBIT margin was at the previous year's level of 9.8%. Thanks in part to a further improvement in the financial result, consolidated net income rose from EUR 1.0 million to EUR 1.2 million. Earnings per share improved from EUR 0.10 to EUR 0.13 in the first three months of the year.

Cost of materials decreased from EUR 6.4 million to EUR 6.0 million in the first quarter of 2018, due largely to cost effects for Masterflex SE. Personnel expenses increased from EUR 7.3 million to EUR 7.5 million due to wage and salary increases and a 2% increase in the number of employees.

Net assets and financial position

In the first three months of 2018, there were no material changes in the net assets and financial position compared to 31 December 2017.

On the one hand, the development of assets was characterized by a slight increase in inventories, which corresponded with shifts in revenues and the high order backlog. The increase in trade receivable resulted from effects relating to the reporting date.

Equity increased in line with the profit situation from EUR 37.4 million to EUR 38.3 million, with an equity ratio of 51.8% after 51.3% previously. The development of debt capital followed the long-term repayment plan.

Masterflex Group's cash flow from operating activities is almost always slightly negative in the first quarter. This was also the case in the first three months of 2018 at EUR -0.2 million, similar to EUR -0.4 million in 2017. Cash flow from investment activities decreased from EUR -10.0 million to EUR -1.1 million, thus returning to levels that reflect investment activity without special projects. In the same period of the previous year, the fluoropolymer specialist APT GmbH had been acquired. The change in cash flow from financing activities, which fell from EUR 10.1 million to EUR 0.2 million, was corresponding. In the first quarter of 2018, interest and principal repayments followed plan, while the financing of the company acquisition had a significant impact in the same period of the previous year.

2018 outlook

After the first quarter, Masterflex Group confirms its forecasts for the financial year 2018 as a whole. The growth course is to be continued and revenues are to grow within a range of 4% to 8%. The increase in earnings is expected to be in line with revenue growth with a simultaneous confirmation of the margin. In the medium term, Masterflex Group aims to achieve strong double-digit EBIT margins again.

The end of a legal dispute in April 2018 with the purchaser of the two companies sold in 2012 and belonging to the former Mobility Group, has no effect on the forecast, as a corresponding amount of provisions had already been formed in the consolidated and annual financial statements.

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CONSOLIDATED BALANCE SHEET

Asset in €k	31.03.2018*	31.12.2017
NON-CURRENT ASSETS		
Intangible assets	11,428	11,233
Concessions, industrial and similar rights	855	846
Development costs	682	677
Goodwill	9,187	9,187
Advance Payments	704	523
Property, plant and equipment	31,557	31,413
Land, land rights and buildings	16,870	17,047
Technical equipment and machinery	10,304	10,584
Other equipment, operating and office equipment	2,709	2,721
Advance payments and assets under development	1,674	1,061
Non-current financial assets	90	78
Non-current financial instruments	90	78
Other assets	25	27
Other financial assets	13	13
Deferred taxes	1,284	1,546
	44,397	44,310
CURRENT ASSETS		
Inventories	15,515	15,236
Raw materials and consumables used	8,260	7,633
Work in progress	762	955
Finished products and goods purchased and held for sale	6,491	6,643
Advance payments	2	5
Receivables and other assets	9,618	7,593
Trade receivables	9,025	6,777
Other assets	588	811
Other financial assets	5	5
Income tax assets	404	492
Cash in hand and bank balances	3,866	5,336
	29,403	28,657
Assets held for sale	0	0
	29,403	28,657
Total assets	73,800	72,967

*unaudited

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CONSOLIDATED BALANCE SHEET

Equity and Liabilities in €k	31.03.2018*	31.12.2017
SHAREHOLDERS' EQUITY		
Consolidated equity	38,605	37,736
Subscribed capital	9,618	9,618
Capital reserve	31,306	31,306
Retained earnings	-324	-1,511
Revaluation reserve	-618	-629
Exchange differences	-1,377	-1,048
Minority interest	-345	-340
Total equity	38,260	37,396
NON-CURRENT LIABILITIES		
Provisions	225	225
Financial liabilities	18,318	18,293
Other liabilities	954	948
Deferred taxes	906	916
	20,403	20,382
CURRENT LIABILITIES		
Provisions	1,927	2,290
Financial liabilities	7,775	7,404
Income tax liabilities	195	984
Other liabilities	4,111	3,434
Trade payables	2,297	1,964
Other liabilities	1,814	1,470
	14,008	14,112
Liabilities directly connected with assets held for sale	1,129	1,077
	15,137	15,189
Total equity and liabilities	73,800	72,967

*unaudited

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CONSOLIDATED INCOME STATEMENT

Continued business units in €k	01.01.-31.03.2018*	01.01.-31.03.2017*
1. Revenue	20,036	19,968
2. Changes in inventories of finished good and work in progress	-221	-260
3. Work performed by the enterprise and capitalised	49	56
4. Other operating income	98	166
Gross revenue	19,962	19,930
5. Cost of materials	-5,968	-6,401
6. Staff costs	-7,487	-7,265
7. Depreciations	-807	-774
8. Other expenses	-3,737	-3,537
9. Financial result		
Financial expenses	-220	-300
Other financial result	1	1
10. Earnings before taxes and non-operating expenses	1,744	1,654
11. Non-operating expenses	0	-203
12. Earnings before taxes	1,744	1,451
13. Income tax expenses	-552	-489
14. Earnings after taxes from continued business units	1,192	962
Discontinued business units in €k		
15. Earnings after taxes from discontinued business units	-10	-1
16. Consolidated net income	1,182	961
thereof minority interests	-8	3
 thereof attributable to Masterflex SE	1,190	958
Earnings per share (diluted and non-diluted)		
from continued business units	0.13	0.10
from discontinued business units	0.00	0.00
from continued and discontinued business units	0.13	0.10

*unaudited

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in €k	01.01.-31.03.2018*	01.01.-31.03.2017*
Consolidated net income	1,182	961
Other result		
Items, that may be reclassified subsequently to profit or loss if specific conditions are met		
1. Exchange differences on translation of foreign financial statements	-343	-98
2. Changes in fair values of financial instruments	11	9
3. Income taxes	14	18
4. Other earnings after taxes	-318	-71
5. Overall result	864	890
Overall result	864	890
thereof minority interests	-8	3
thereof attributable to shareholders of Masterflex SE	872	887

*unaudited

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CONSOLIDATED CASH FLOW STATEMENT

in €k	31.03.2018*	31.03.2017*
Result for the period before taxes, interest expenses and financial result	1,971	1,746
Income taxes paid	-894	-450
Depreciation expense for property, plant and equipment and intangible assets	807	774
Reduction in provisions	-311	-347
Other non-cash income and gains from the disposal of property, plant and equipment and intangible assets	-57	-53
Increase of inventories	-279	-152
Increase of trade receivables and other assets that cannot be allocated to investment or financing activities	-1,673	-2,046
Increase in trade payables and other equity and liabilities that cannot be allocated to investment or financing activities	189	159
Cash flow from ongoing business activities	-247	-369
Payments to acquire non-current assets	-1,098	-1,277
Payments to acquire subsidiaries	0	-8,755
Cash flow from investment activities	-1,098	-10,032
Proceeds of the increase of subscribed capital	0	5,940
Interest and dividend receipts	1	1
Interest expenditure	-172	-246
Proceeds from raising loans	1,000	9,000
Payments for the repayment of loans	-625	-4,625
Cash flow from financing activities	204	10,070
Changes in cash and cash equivalents	-1,141	-331
Changes in cash and cash equivalents due to exchange rates and other factors	-329	-80
Cash and cash equivalents at the start of the period	5,336	4,005
Changes in the consolidation scope	0	588
Cash and cash equivalents at the end of the period	3,866	4,182

*unaudited