

Connecting Values

Interim Report First Half-Year 2022



Key figures

Highlights of the first six months of 2022

- Dynamic revenue growth of 26% and best half-year result since IPO
- Earnings target „double digit“ achieved with 13.6% EBIT margin in the first half of the year
- Stable liquidity situation despite strategic working capital build-up
- Sustained high demand momentum
- Full-year forecast confirmed

Masterflex at a glance

in EUR thousand	30.06.2022*	30.06.2021*	Change
Consolidated revenue	49,112	38,871	26.3%
EBITDA	9,127	6,070	50.4%
EBIT (operational)	6,696	3,680	82.0%
EBIT	6,664	3,680	81.1%
EBT	6,390	3,258	96.1%
Financial result	-242	-422	42.7%
Consolidated result	4,663	2,438	91.3%
Consolidated earnings per share (EUR)	0.49	0.25	96.0%
EBIT-margin (operational)	13.6%	9.5%	
Net return on sales	9.5%	6.3%	
Employees (number)	582	557	4.5%

	30.06.2022*	31.12.2021	Change
Consolidated equity	49,237	44,977	9.5%
Consolidated total assets	84,857	79,286	7.0%
Consolidated equity ratio	58.0%	56.7%	

* unaudited



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Foreword by the Chairman of the Management Board

Dear shareholders,

The first half of 2022 was a seamless continuation of the challenging, but operationally successful year 2021. The continuing burden of supply chain problems and high inflation, particularly in energy and raw material prices, posed and continues to pose major challenges to the economy and thus also to us. The war in Ukraine further exacerbated the overall situation on the raw material and energy markets caused by the after-effects of the Corona pandemic, with the result that overall economic momentum slowed somewhat in the course of the first half.

Irrespective of this, we are recording rising order intake and once again have a significantly increased order backlog. Despite the aforementioned circumstances, the Masterflex Group has developed very positively; we were and are able to manage the negative external effects well. As the entire Masterflex team, we can proudly say that we are making the best of the current situation, which can also be seen in concrete figures: Masterflex generated its best half-year result in 2022 since the IPO in 2000.

Best half-year result since IPO

We were able to increase consolidated revenues in the first half of 2022 by 26.3% year-on-year to EUR 49.1 million, compared with EUR 38.9 million in the previous year. The positive volume effects were particularly noticeable here. We delivered more hoses to customers than ever before. Positive price and currency effects also played a role. Our operating earnings before interest and taxes (operating EBIT) amounted to EUR 6.7 million, compared with EUR 3.7 million in the same period of the previous year, and thus climbed by 82.0% to a historic record level. Overall, we thus achieved an operating EBIT margin in relation to consolidated revenue of 13.6%, compared with 9.5% in the previous year. At EUR 4.7 million, consolidated net profit was even 91.3% higher than in the previous year. We succeeded in compensating for price increases on the procurement markets and higher energy and logistics costs by means of productivity gains, among other things, which is reflected in a falling personnel deployment rate.

Our extremely successful business performance is also reflected in our balance sheet. In the first half of 2022, we were able to increase our equity by 9.5% from EUR 45.0 million at the end of fiscal year 2021 to EUR 49.2 million, so that the equity ratio improved from 56.7% as of December 31, 2021 to 58.0% as of June 30, 2022. This clearly shows that, in view of our „Back-to-double-Digit“ optimization program, we are delivering what we promised despite all the challenges.



Rising order backlog

Strong demand momentum came primarily from the classic industrial hose business, i.e. from the mechanical engineering, automotive and above all aviation sectors. As a result of the easing in the aftermath of the corona pandemic, business in the medical technology sector, which had been impacted in recent quarters by corona-related postponements of operations and thus lower demand for corresponding consumables, is also returning to growth. The share of total revenue accounted for by the high-margin medical technology business rose accordingly to 18% (previous year: 17%). This clearly shows that we are on the right track with the consistent expansion of our product portfolio of medical hose solutions to benefit from the high growth in the sector. The resurgence in demand in the aviation business is also continuing. With the reopening of production in the Czech Republic as an extended workbench, we have increased our capacities accordingly in order to process the high order intake and backlog. In terms of our sales regions, at the end of June we were above the comparable figures from the previous year in Germany, Europe and the USA, while activities in Asia were flat, particularly due to the renewed lockdowns in China. We are growing sales at all companies and our order situation is excellent. As a result, we were able to further expand our order backlog as of December 31, 2021, which doubled year-on-year from EUR 22.9 million to EUR 27.0 million as of June 30, 2022. Demand is stable across all customer sectors, so we are fundamentally optimistic for the rest of the year.



Dr. Andreas Bastin
Chief Executive Officer

Dividend significantly increased to EUR 0.12

Our Annual General Meeting on June 14, 2022, was again held in virtual form due to COVID-19. The successful business development in the 2021 financial year enabled us to significantly increase the dividend distribution compared to the previous year and to pay a dividend of EUR 0.12 per share (previous year: EUR 0.08) for the 2021 financial year. This means that a total of around EUR 1,154,200 (previous year: EUR 769,467) was distributed from the net retained profits of Masterflex SE. We will continue to adhere to our sustainable dividend policy in the future. The business development to date is a solid basis for ensuring a dividend at the level of market expectations.



Growth strategy 2030

The past few years have been dominated by our „Back-to-double-Digit“ optimization program. The successful implementation of this program also marks the beginning of a new phase in Masterflex's corporate development. Our firm goal is to reach a revenue level of EUR 200 million by 2030. On the one hand, we want to achieve this through organic growth by focusing more strongly on high-growth areas such as medicine, laboratory, pharmaceutical and food technology, in addition to the traditional industries. On the other hand, the decisive contribution to increasing our revenue by a factor of 2.5 compared to 2021 is to be made by acquisitions in order to accelerate market entries and/or expand our technological capabilities. With APT, we have demonstrated that we can buy and build. We assume that this will enable us to generate additional revenue in the order of EUR 70 to 80 million through inorganic growth. There are several strategic directions for this: Regionally, via expansion in North America or Europe, technologically, by purchasing know-how, for example in the area of materials technology, for example in silicone, or in the area of connection technology. And finally, on the industry side, by expanding our expertise in the medical, laboratory, pharmaceutical and food technology sectors through appropriate acquisitions. All this is to be done with the aim of at least maintaining the double-digit EBIT margin we have achieved, but rather further expanding it in line with our focus on operational excellence.

Outlook for 2022

We have every reason to be optimistic about the rest of the year. The Corona pandemic is not playing a major role apart from partly higher sickness rates at individual locations, although uncertainties about the further course naturally remain. With regard to the war in Ukraine, there is hardly any direct impact on Masterflex, as traditionally only a negligible volume of revenue is generated in Russia and Ukraine. We are currently well able to cushion the indirect effects on the availability and prices of raw materials and intermediate products. We are in close daily contact with our raw material suppliers and also involve our customers in maintaining raw material availability and managing inflationary trends. Order backlog and order intake continue to indicate a positive development in fiscal 2022. We reaffirm our forecast of an increase in revenue to between EUR 83 million and EUR 87 million in 2022 and are confident of achieving our full-year operating EBIT target of between EUR 8.3 million and EUR 9.0 million thanks to the significant improvement in EBIT margin to 13.6% in the first half of the year. Despite the excellent business performance in the first half of the year, we are currently refraining from raising our forecast for fiscal 2022 due to the aforementioned uncertainties and the uncertainties surrounding the energy supply in Germany, which is dependent on Russia.

We would like to thank our employees for their outstanding performance. We would also like to thank you, our shareholders, for your trust. As promised, we have led Masterflex to a higher level of profitability and are positioned in a stable, sustainable and future-oriented manner. Please continue to place your trust in Masterflex and let us together lead our company into the growth phase ahead of us.

Sincerely yours,

Dr. Andreas Bastin
Chief Executive Officer



Masterflex Share and Annual General Meeting

Share price development in the first half of 2022

The international stock markets were subject to strong fluctuations in the first half of 2022 due to various negative factors. While robust economic figures and good corporate results gave the stock markets a slight tailwind in May, inflation concerns and emerging fears of an end to loose monetary policy put the brakes on further price rises. The high rise in inflation worldwide prompted central banks to raise key interest rates significantly and thus reduce liquidity on the market, which ultimately led to a significant valuation correction on the stock and bond markets in the first half of the year. In a market environment characterized by declining economic momentum, the German DAX share index recorded a significant correction in the reporting period. The index ended the first half of 2022 down around 20% on its closing price in 2021, thus recording its weakest start to the year since 2008.

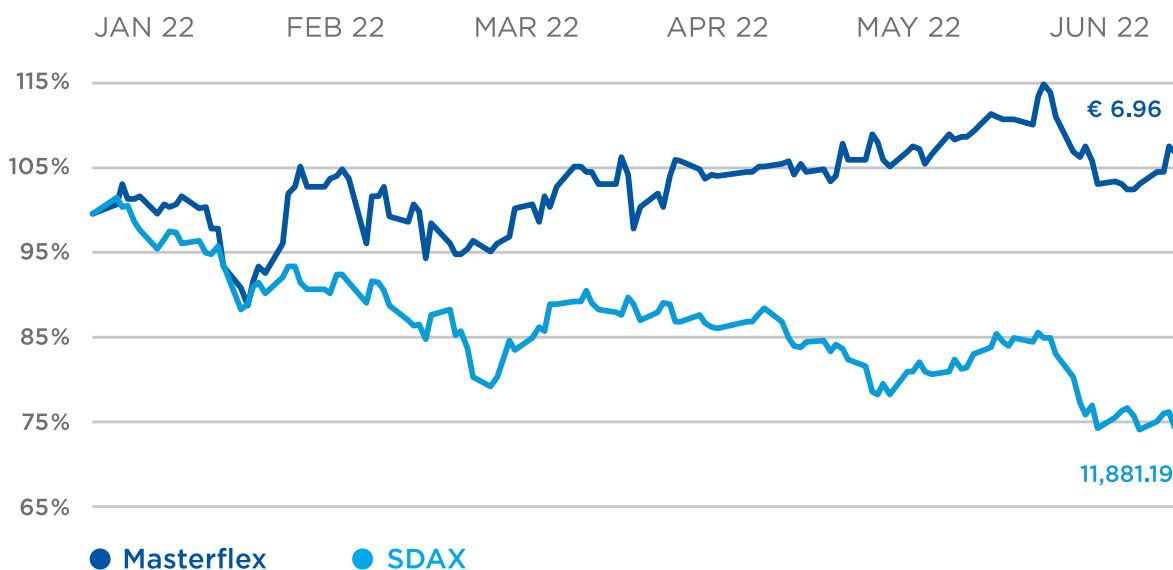
By contrast, the Masterflex share price rose by 8.4% in the reporting period. The positive share price development was driven in particular by the record EBIT and the convincing order situation. Including the dividend of EUR 0.12 per share, the total return for the first half of 2022 was 10.3%.

The Masterflex share opened the 2022 stock market year with a Xetra price of EUR 6.42. The half-year low was EUR 5.42 on January 25. With a solid business development in the reporting period, the quotation of the Masterflex share increased to EUR 7.50 on June 8. The shares of Masterflex SE exited trading on June 30, 2022, with a Xetra closing price of EUR 6.96. Thus, the performance of the Masterflex SE share clearly outperformed the SDAX, which recorded a minus of 27.6% in the first half of the year.

The average daily trading volume of Masterflex shares on all German trading venues totaled 5,462 shares in the reporting period (previous year: 5,871 shares).

As of June 30, 2022, the stock market value of Masterflex SE amounted to EUR 66.9 million with 9,618,334 shares outstanding and a closing price of EUR 6.96. As of the reporting date 2021, the market capitalization was EUR 62.1 million with the same number of shares and a closing price of EUR 6.46 (all figures based on Xetra prices).

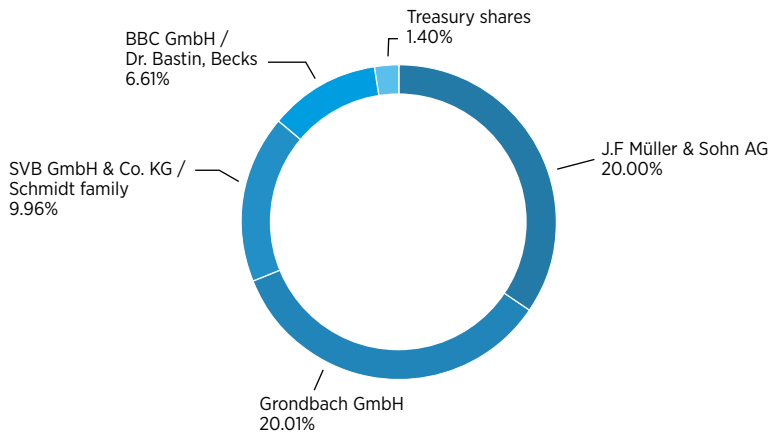
Masterflex share price performance in the first half of 2022 compared to the SDAX





Shareholder structure

The shareholder structure of Masterflex SE did not show significant changes in the first half of 2022. The largest shareholders of Masterflex SE remain Grondbach GmbH, which holds a shareholding of 20.01%, and J.F. Müller & Sohn AG with a shareholding of 20.00%. The characteristic of a shareholder structure characterized by family offices continues to be decisive. The management holds 6.61% of the shares. The free float is currently 42.02% (December 31, 2021: 42.02%).



The information on the shares generally refers to the most recent WpHG notifications to the Company.

Analyst research

The shares of Masterflex SE are listed in the Prime Standard of the Frankfurt Stock Exchange and are regularly analyzed and evaluated by renowned research houses. In their study dated May 11, 2022, analysts Nicolas Gruschka and Miguel Lago Mascato of Montega AG rate the share as „Buy“ with a price target of EUR 12.00. Metzler Research analyst Alexander Neuberger reiterated a „buy“ recommendation on Masterflex shares on May 13, 2022 with a price target of EUR 8.50 due to the significant positive development of the group’s EBIT and order backlog in the first quarter of 2022. In addition, the experts at SMC Research, which specializes in small-cap stocks, once again recommended Masterflex shares as a buy on July 7, 2022, with a target of EUR 11.00.

Based on the closing price of EUR 6.96 on June 30, 2022, this gives Masterflex shares further upside potential of 22.1% to 72.4%.

Detailed information on the reports is available to interested investors at [Masterflexgroup.com](https://www.masterflexgroup.com) in the Investor Relations/Analyst Recommendations section.

Annual General Meeting 2022 and Dividend

Masterflex SE continued its dividend policy with the Annual General Meeting held on June 14, 2022. In accordance with the resolution of the Annual General Meeting, a dividend of 12 cents per share was distributed to shareholders (previous year: 8 cents per share). This means that a total of around EUR 1,154,200.08 (previous year: EUR 769,467) was distributed from the net retained profits of Masterflex SE. The presence was 60.7% of the share capital (2021: 56.2%). The Annual General Meeting expressed its confidence in the members of the Management Board as well as the Supervisory Board of Masterflex SE for the 2021 financial year and approved all items on the agenda with large majorities. In his speech, CEO Dr. Andreas Bastin detailed the developments in the past financial year and announced the next growth phase beyond „Back-to-double-Digit“.



Financial Calendar 2022

August 10	Half-year Report 2022
August 25	HIT Hamburg Investors Day
November 10	Quarterly Report Q3/2022
November 15	MKK Munich Capital Market Conference

The Financial calendar is published on the website of ([Masterflexgroup.com](https://www.masterflexgroup.com)) in the Investors Relations section.

Information on the Share

ISIN-Code	DE0005492938
GSIN	549293
Type of share	Ordinary bearer shares
Ticker symbol	MZX
Bloomberg symbol	MZX GR
Reuters symbol	MZXG.DE
Stock exchange segment	Prime Standard
Part of the following indices	CDAX Prime All Share Index Classic All Share Index Prime Industrial Index
Designated Sponsor	ICF Bank AG
Total number of shares (30.06.)	9,752,460
Own shares	134,126
Market capitalisation (30.06.)	EUR 66.9 million



Interim Group Management Report for the first half of 2022

Business Development

The Masterflex Group made a strong start to the 2022 financial year despite headwinds from the direct and indirect effects of the pandemic aftermath, the ongoing lockdowns in China, and the war in Ukraine.

Business performance in the first half of 2022 was characterized by a robust order situation, but also by rising raw material and energy prices, raw material shortages, and the uncertainties surrounding future gas supplies due to the war in Ukraine.

Results of Operations of the Group

1.1 Revenue development and incoming orders

Masterflex achieved a 26.3% increase in revenue in the reporting period compared with the same period of the previous year. Consolidated revenue showed growth to EUR 49.1 million in the first half of 2022, compared with EUR 38.9 million in the first half of 2021. The significant increase in revenue was characterized in particular by volume increases, but also by price adjustments in response to the dramatic rise in raw material and energy prices. In addition, there were positive currency effects due to the strong US dollar.

With the exception of the activities in Asia, revenue growth was achieved across all companies. The stagnation in sales in Asia was primarily due to the Corona-related lockdown of individual regions in China. The major German and American companies made particularly strong contributions to growth. Demand was particularly strong in the traditional industrial sectors of mechanical engineering and process industries as well as in medical technology. Positive impetus continued to come from the resurgent aerospace sector. The share of high-margin medical technology in total revenue increased from 17% in the prior-year period to 18% in the first half of 2022.

Order intake in the first half of 2022 remained very high. For example, the order backlog rose from EUR 22.9 million as of December 31, 2021 to EUR 27.0 million as of June 30, 2022. However, due to the high revenue of EUR 25.2 million in the second quarter of 2022, the order backlog did not increase much compared to the first quarter of 2022.

1.2 Development of earnings

Operating earnings before interest and taxes (EBIT before non-operating income and expenses) jumped to EUR 6.7 million in the first half of 2022, compared with EUR 3.7 million in the prior-year period. This corresponds to an operating EBIT margin based on revenue of 13.6% (06/2021: 9.5%).

The positive earnings development is mainly due to the success of our „Back-to-double-Digit“ optimization program. Masterflex was able to compensate for the sharp rise in raw material prices with price adjustments and higher personnel productivity. The Group succeeded in managing the significant growth with a disproportionately low increase in personnel.



The price increases on the raw material markets led to a nominal and relative increase in the cost of materials. The materials usage ratio (based on total output) was 33.5% at June 30, 2022 (06/2021: 31.8%).

The increase in personnel is mainly due to the resumption of production at the Plana site in the Czech Republic. Due to the disproportionately low increase in personnel compared to revenue growth, personnel costs increased nominally but decreased relatively significantly. In the first half of the year, the ratio of personnel expenses to total operating performance was 33.1%, compared with 37.8% in the prior-year period.

Other expenses increased from EUR 6.2 million in the previous year to EUR 7.8 million in the first half of 2022 due to rising energy and freight prices and volume-related additional expenses for energy, freight and packaging.

Depreciation and amortization of EUR 2.4 million increased only slightly in the first half of 2022 compared with the prior-year period. This effect is attributable to stronger investment activity compared with the two Corona years.

Due to the contractual repayment of the syndicated loan and a lower interest rate, financing costs fell from EUR 0.4 million in the first half of 2021 to EUR 0.2 million in the first half of 2022.

Consolidated net income amounted to EUR 4.7 million in the first six months of the current fiscal year (06/2021: EUR 2.4 million). Earnings per share thus almost doubled to EUR 0.49 in the reporting period, compared with EUR 0.25 in the same period of the previous year.

Net Assets of the Group

The increase in total assets by EUR 5.6 million to EUR 84.9 million as of June 30, 2022 (December 31, 2021: EUR 79.3 million) is mainly due to the increase in inventories of EUR 3.0 million, the increase in trade receivables of EUR 5.1 million and the simultaneous reduction in cash and bank balances of EUR 3.3 million. The increase in trade receivables is attributable to the significant increase in revenue and also, due to the reporting date, to the very strong revenue month of June.

The Masterflex Group's cash and cash equivalents decreased by EUR 3.3 million to EUR 6.3 million as of June 30, 2022 (December 31, 2021: EUR 9.6 million), reflecting in particular the working capital build-up.

Due to the very positive earnings situation of the Masterflex Group, equity increased by EUR 4.3 million to EUR 49.2 million as of June 30, 2022. This corresponds to an equity ratio of 58.0% as of June 30, 2022, compared to 56.7% as of December 31, 2021.



Financial Position of the Group

Net debt amounted to EUR 18.2 million as of June 30, 2022 (December 31, 2021: EUR 15.9 million). The ratio of net debt to EBITDA improved further to 1.3 at the end of the first half of 2022 (December 31, 2021: 1.5).

Due to the contractual repayment of the syndicated loan, non-current financial liabilities decreased and amounted to EUR 22.2 million as of June 30, 2022 (December 31, 2021: EUR 23.0 million).

The development of cash flow in the first half of 2022 was largely characterized by the growth-related increase in working capital. Cash flow from operating activities amounted to around EUR 1.0 million as of June 30, 2022 (previous year: EUR 1.7 million). Cash flow from investing activities as of June 30, 2022 increased year-on-year to around EUR 2.2 million (previous year: EUR 1.1 million). This is mainly due to the expansion of the clean room in Halberstadt and further replacement and expansion investments in machinery. The payment of the dividend for the financial year 2021 in the amount of EUR 1.2 million (EUR 0.12 per share) characterized the development of cash flow from financing activities.

Immediate effects of the COVID 19 pandemic on the results of operations, net assets and financial position

The COVID-19 pandemic had only a minor direct impact on the results of operations, net assets and financial position. For example, the site in China had to be closed for several weeks, resulting in a loss of sales. In addition, full staff was not always available due to quarantine.

The direct impact of the war in Ukraine on our earnings, net assets and financial position has also been minimal to date. Sales to a Russian customer, which were already low, were reduced to zero. In the course of this, a receivable amounting to EUR 30 thousand was written off.

Employees

The number of employees increased on average from 557 in the first half of 2021 to 582 in the first half of 2022. The expansion took place in particular at the Plana site in the Czech Republic, where production of hoses for the aviation industry was resumed, and at the Gelsenkirchen site, which is currently a major growth driver.

Research and development

In the first half of 2022, our development work again focused in particular on customer-specific development projects.



Opportunity and Risk Report

The management system for recording opportunities and risks as well as the measures for limiting risks were described in detail in the combined management report 2021. In addition, the main opportunities and risks arising for the Masterflex Group in the course of its business activities were also explained there. Compared to this opportunity and risk situation, a change has occurred in the first half of 2022.

As a result of the Ukraine war, the gas supply in Germany and Europe has become uncertain. A significant under-supply of both our own production and in particular that of our suppliers could have a significant impact on the results of operations, net assets and financial position of the Masterflex Group.

In principle, the Masterflex Group is not heavily dependent on gas supplies. Gas is only occasionally required in production, mainly for heat generation in furnaces. Here, we are working at full speed on alternative solutions.

Our suppliers in the plastics industry are much more dependent on gas supplies than the Masterflex Group. It is currently difficult for us to assess the extent to which a possible gas embargo will have an impact here. If our suppliers worldwide are not able to supply us with sufficient raw materials, this will have a significant impact on the results of operations, net assets and financial position of the Masterflex Group. However, we do not currently anticipate such an extreme scenario.

Outlook

The following statements on the future business performance of the Masterflex Group and on the key underlying assumptions concerning the economic development of markets and industries that are considered material for this purpose are based on estimates that the management considers to be realistic according to the information currently available. However, against the backdrop of the current political and economic environment, these are subject to significantly greater uncertainty than in the past and therefore entail the unavoidable risk that the forecast developments will not actually occur either in their tendency or in their extent.

In particular

- the further course of the Ukraine war and the associated possibility of a gas shortage in Germany/Europe,
- the further development of the Corona pandemic and
- the risk of a global stagflation or recession will be decisive

for the further development of the Masterflex Group.

Based on the successful first half of the year and the high order backlog, Management currently expects business to continue to develop very profitably in the second half of 2022. For the current financial year, the Management therefore confirms the target of generating revenues in a range of EUR 83 million to EUR 87 million. At the same time, the forecast for EBIT, which is expected to be in the range of EUR 8.3 million to EUR 9.0 million, is also confirmed.

Gelsenkirchen, August 10, 2022

Dr. Andreas Bastin
Chief Executive Officer

Mark Becks
Chief Financial Officer



Interim Consolidated Financial Statements

Consolidated Statement of Financial Position

Assets in €k	30.06.2022*	31.12.2021
Non-current assets		
Intangible assets	13,090	13,106
Concessions, industrial property rights	1,611	1,786
Development costs	1,834	1,721
Goodwill	9,187	9,187
Advance payments	458	412
Property, plant and equipment	31,543	31,254
Land and buildings	16,404	17,079
Technical equipment and machinery	10,313	10,697
Other equipment, operating and office equipment	2,859	2,920
Advance payments and assets under construction	1,967	558
Financial assets	89	112
Investment securities	89	112
Other assets	256	34
Deferred taxes	33	33
	45,011	44,539
Current Assets		
Inventories	20,289	17,243
Raw materials, consumables and supplies	11,942	9,458
Unfinished goods and services	526	465
Finished goods and products	7,769	7,320
Advance payments	52	0
Receivables and other assets	13,050	7,631
Trade receivables	12,053	6,971
Other assets	997	660
Income tax assets	254	323
Cash in hand and bank balances	6,253	9,550
	39,846	34,747
Total assets	84,857	79,286

* unaudited



Consolidated Statement of Financial Position

Equity and liabilities in €k	30.06.2022*	31.12.2021
Equity		
Consolidated equity	48,904	44,655
Issued capital	9,618	9,618
Capital reserve	31,306	31,306
Retained earnings	8,163	4,654
Reserve for the market valuation of financial instruments	-618	-595
Hedging instruments	209	25
Currency differences	226	-353
Non-controlling interests	333	322
Total equity	49,237	44,977
Non-current liabilities		
Provisions	257	257
Financial liabilities	22,170	23,013
Other liabilities	861	834
Deferred taxes	1,755	823
	25,043	24,927
Current liabilities		
Provisions	216	120
Financial liabilities	2,259	2,455
Income tax liabilities	631	395
Other liabilities	7,471	6,412
Trade payables	3,523	2,036
Other liabilities	3,948	4,376
	10,577	9,382
Total equity and liabilities	84,857	79,286

* unaudited



Consolidated Statement of Income for the First Half-Year

	01.01.-30.06.22*	01.01.-30.06.21*
	€k	€k
1. Revenue	49,112	38,871
2. Increase or decrease in inventories of finished and unfinished goods	419	459
3. Other own work capitalised	28	52
4. Other income	343	297
Operating performance	49,902	39,679
5. Cost of materials	-16,604	-12,535
6. Personnel expenses	-16,387	-14,868
7. Depreciation and amortisation	-2,431	-2,390
8. Other expenses	-7,816	-6,206
9. Financial result		
Financial expenses	-245	-425
Other financial result	3	3
10. Earnings before taxes	6,422	3,258
11. Income taxes	-1,729	-786
12. Consolidated result	4,693	2,472
thereof: non-controlling interests	30	34
thereof: share of shareholders of Masterflex SE	4,663	2,438
Earnings per share (undiluted and diluted) in €	0.49	0.25

* unaudited



Consolidated Statement of Comprehensive Income for the First Half-Year

	01.01.-30.06.22*	01.01.-30.06.21*
	€k	€k
Consolidated result	4,693	2,472
Other income		
Items that are subsequently reclassified to profit or loss if certain conditions are fulfilled		
1. Currency gains/losses from the translation of foreign financial statements	611	367
2. Changes in the fair value of financial instruments	-23	27
3. Hedging transactions	184	95
4. Income taxes	-32	-28
5. Other income after taxes	740	461
6. Comprehensive income	5,433	2,933
Comprehensive income	5,433	2,933
thereof: non-controlling interests	30	34
thereof: share of shareholders of Masterflex SE	5,403	2,899

* unaudited



Consolidated Statement of Income for the Second Quarter

	01.04.-30.06.22*	01.04.-30.06.21*
	€k	€k
1. Revenue	25,209	19,359
2. Increase or decrease in inventories of finished and unfinished goods	412	74
3. Other own work capitalised	10	35
4. Other income	208	162
Operating performance	25,839	19,630
5. Cost of materials	-8,406	-6,165
6. Personnel expenses	-8,365	-7,440
7. Depreciation and amortisation	-1,213	-1,191
8. Other expenses	-4,190	-3,359
9. Financial result		
Financial expenses	-120	-216
Other financial result	3	2
10. Earnings before taxes	3,548	1,261
11. Income taxes	-974	-299
12. Consolidated result	2,574	962
thereof: non-controlling interests	20	18
 thereof: share of shareholders of Masterflex SE	2,554	944
Earnings per share (undiluted and diluted) in €	0.27	0.09

* unaudited



Consolidated Statement of Comprehensive Income for the Second Quarter

	01.04.-30.06.22*	01.04.-30.06.21*
	€k	€k
Consolidated result	2,574	962
Other income		
Items that are subsequently reclassified to profit or loss if certain conditions are fulfilled		
1. Currency gains/losses from the translation of foreign financial statements	495	116
2. Changes in the fair value of financial instruments	-22	22
3. Hedging transactions	167	-7
4. Income taxes	-27	-19
5. Other income after taxes	613	112
6. Comprehensive income	3,187	1,074
Comprehensive income	3,187	1,074
thereof: non-controlling interests	20	18
thereof: share of shareholders of Masterflex SE	3,167	1,056

* unaudited



Consolidated Statement of Changes in Equity

	Sub- scribed capital	Capital reserve	Retained earnings	Reserve for the market valuation of finan- cial inst- ruments	Reserve for hedging trans- actions	Ex- change- differen- ces	Shares of sharehold- ers of Masterflex SE	Non- cont- rolling inter- ests	Equity
in €k									
Equity as of 31.12.2021	9,618	31,306	4,654	-595	25	-353	44,655	322	44,977
Distributions	0	0	-1,154	0	0	0	-1,154	-19	-1,173
Comprehensive income	0	0	4,663	-23	184	579	5,403	30	5,433
Consolidated result	0	0	4,663	0	0	0	4,663	30	4,693
Other income after income taxes	0	0	0	-23	184	579	740	0	740
Changes in the fair value of financial instruments	0	0	0	-23	0	0	-23	0	-23
Changes in the fair value of hedging instruments	0	0	0	0	184	0	184	0	184
Currency gains/los- ses from the trans- lation of foreign financial statements	0	0	0	0	0	611	611	0	611
Income taxes on other comprehensi- ve income	0	0	0	0	0	-32	-32	0	-32
Equity as of 30.06.2022	9,618	31,306	8,163	-618	209	226	48,904	333	49,237
Equity as of 31.12.2020	9,618	31,306	2,142	-643	-224	-1,217	40,982	303	41,285
Distributions	0	0	-770	0	0	0	-770	0	-770
Comprehensive income	0	0	2,438	27	95	339	2,899	34	2,933
Consolidated result	0	0	2,438	0	0	0	2,438	34	2,472
Other income after income taxes	0	0	0	27	95	339	461	0	461
Changes in the fair value of financial instruments	0	0	0	27	0	0	27	0	27
Changes in the fair value of hedging instruments	0	0	0	0	95	0	95	0	95
Exchange gains/los- ses from the trans- lation of foreign financial statements	0	0	0	0	0	367	367	0	367
Income taxes on other comprehensi- ve income	0	0	0	0	0	-28	-28	0	-28
Equity as of 30.06.2021	9,618	31,306	3,810	-616	-129	-878	43,111	337	43,448



Consolidated Statement of Cash Flows

in €k	30.06.2022*	30.06.2021*
Result for the period before taxes, interest expenses and financial income	6,634	3,646
Income tax expenses	-735	-399
Depreciation and amortisation on property, plant and equipment and intangible assets	2,431	2,390
Increase/Decrease in provisions	96	-36
Other non-cash income and gains from the disposal of non-current assets	2	-18
Increase in inventories	-3,046	-1,213
Increase in trade receivables and other assets not attributable to investing or financing activities	-6,674	-2,899
Increase in trade payables and other liabilities not attributable to investing or financing activities	2,254	198
Cash flow from operating activities	962	1,669
Payments for investments in non-current assets	-2,227	-1,146
Cash flow from investing activities	-2,227	-1,146
Dividends to Masterflex shareholders	-1,173	-769
Interest and dividend income	3	3
Interest payments	-137	-372
Proceeds from borrowings	0	0
Payments for lease liabilities	-554	-534
Payments for the repayment of loans	-750	-1,137
Cash flow from financing activities	-2,611	-2,809
Cash-effective changes in cash and cash equivalents	-3,876	-2,286
Changes in cash and cash equivalents due to exchange rates and other changes in value	579	433
Cash and cash equivalents at the beginning of the period	9,550	9,217
Cash and cash equivalents at the end of the period	6,253	7,364

* unaudited



Notes to the Consolidated Financial Statements

1. Accounting principles

This interim report has been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and International Accounting Standards (IAS) as issued by the International Accounting Standards Board (IASB) and complies with the Company's main accounting policies as presented here. The same accounting, valuation and consolidation methods have been applied as for the consolidated financial statements for the financial year ended 31 December 2021.

All other changes in accounting standards had no or no material impact on this interim report.

In accordance with IAS 34, a condensed scope of reporting has been chosen compared to the consolidated financial statements.

2. Scope of consolidation

There have been no changes in the scope of consolidation compared to 31 December 2021.

Company name	Company headquarters		Share of Masterflex in %
Masterflex SARL	France	Béligneux	80
Masterflex Technical Hoses Ltd.	Great Britain	Oldham	100
Masterduct Holding, Inc.*	United States	Houston	100
· Flexmaster U.S.A, Inc.	United States	Houston	100*
· Masterduct, Inc.	United States	Houston	100*
· Masterduct Holding S.A., Inc.	United States	Houston	100*
· Masterduct Brasil LTDA.	Brazil	Santana de Parnaíba	100*
Novoplast Schlauchtechnik GmbH	Germany	Halberstadt	100
FLEIMA-PLASTIC GmbH	Germany	Wald-Michelbach	100
Masterflex Handelsgesellschaft mbH	Germany	Gelsenkirchen	100
Masterflex Česko s.r.o.	Czech Republic	Planá	100
M & T Verwaltungs GmbH*	Germany	Gelsenkirchen	100
· Matzen & Timm GmbH	Germany	Norderstedt	100*
Masterflex Scandinavia AB	Sweden	Kungsbacka	100
Masterflex Vertriebs GmbH*	Germany	Gelsenkirchen	100
· APT Advanced Polymer Tubing GmbH	Germany	Neuss	100*
Masterflex Asia Holding GmbH*	Germany	Gelsenkirchen	100
· Masterflex Asia Pte. Ltd.	Singapore	Singapur	100*
· Masterflex Hoses (Kunshan) Co., Ltd.	People's Republic of China	Kunshan	100*

* = Partially consolidated



3. Financial instruments

The accounting treatment of investment securities measured at fair value and forward exchange transactions is explained in the Notes to the Consolidated Financial Statements in the 2021 Annual Report under items 3b and 16.

The fair value of investment securities amounted to EUR 89 thousand. In the first half of the year, market value reductions in the amount of EUR 23 thousand were recognised in equity without affecting profit or loss. The securities held as fixed assets are to be allocated to level 1 as input factors with quoted prices in active markets for identical assets.

The fair value of the forward exchange transactions concluded for a total of USD 4,560,000 amounted to 299 thousand euros on the balance sheet date and was recorded under other assets. The change in the forward component was recognised in other comprehensive income as a change in the value of the hedging instrument and amounts to 263 thousand euros before netting with deferred taxes. The fair value of the forward exchange transaction is calculated on the basis of the interest rate difference between the Eurozone and the USA compared to the contracted forward exchange rate. The forward exchange transaction was assigned to Level 2.

As at 30 June 2022, the amount recognised in the reserve for hedging instruments is 299 thousand euros less deferred taxes thereon.

There were no reclassifications between Level 1 and Level 2 in the half year under review.

For trade receivables, other current financial assets and cash and cash equivalents measured at amortised cost, the carrying amount corresponds to the fair value.

For trade payables and other current liabilities, the carrying amount corresponds to the fair value. The fair value of the liabilities to banks corresponds to the carrying amount stated.

4. Dividend

The Annual General Meeting of Masterflex SE approved the payment of a dividend of EUR 0.12 per share on June 14, 2022. The distribution of a total of EUR 1,154,200.08 was made on 20 June 2022.

5. Segment reporting

The Masterflex Group classifies its operating segments in accordance with the criteria of IFRS 8. Management is carried out on the basis of the information received by the entire Management Board as Chief Operating Decision Maker for performance measurement and resource allocation for the entire Masterflex Group (so-called management approach).

There have been no changes in the segmentation basis compared to the consolidated financial statements as at December 31, 2021. The Masterflex Group reports one operating segment, the core business unit High-tech Hose Systems (HTS).



Segment Reporting June 30, 2022

in €k	High-tech Hose Systems
Sales revenue from third parties	49,112
EBIT	6,664
Investments in property, plant and equipment and intangible assets	2,227
Depreciation	2,431
Assets	84,857

Segment Reporting June 30, 2021

in €k	High-tech Hose Systems
Sales revenue from third parties	38,871
EBIT	3,680
Investments in property, plant and equipment and intangible assets	1,146
Depreciation	2,390
Assets	77,008

The reconciliation of operating EBIT to profit after tax is as follows:

Reconciliation to the Group's earnings after taxes in €k	30.06.2022	30.06.2021
EBIT	6,664	3,680
Interest income / income from investments	3	3
Interest and similar expenses, etc.	-245	-425
EBT	6,422	3,258
Taxes on income and earnings	-885	-480
Deferred taxes	-844	-306
Earnings after taxes	4,693	2,472

6. Earnings per share

The undiluted earnings per share are calculated in accordance with IAS 33 by dividing the consolidated net income by the weighted average number of shares outstanding during the reporting period. As at 30 June 2022, the undiluted earnings per share amounted to EUR 0.49 with a weighted average number of shares of 9,618,334.

As there is no share option programme, the calculation of the diluted result is not applicable.

7. Treasury shares

As of 30 June 2022, there are 134,126 treasury shares held by Masterflex SE.

8. Employees

The number of employees in the reporting period was 582, up 4.5% on the previous year's figure of 557 employees.



9. Income taxes

The income tax expense has been determined in the half-year financial report on the basis of the estimated effective tax rate for Masterflex SE for the full year 2022, which was based on the pre-tax result of the reporting period. The effective tax rate is based on current earnings and tax planning.

10. Cash flow statement

The Consolidated Statement of cash flows has been prepared in accordance with IAS 7 („Cash Flow Statements“). A distinction is made between cash flows from operating, investing and financing activities. The liquidity shown in the statement of cash flows corresponds to the balance sheet item „Cash and bank balances“.

11. Relationships with related companies and persons

The relationships are explained in Notes to the Consolidated Financial Statements in the 2021 Annual Report under item 33.

12. Special aspects of the fiscal year in connection with the Corona pandemic and the war in Ukraine

The presentation of the net assets, financial position and results of operations in the half-year financial statements is dependent on recognition and measurement methods as well as assumptions and estimates. All assumptions and estimates are made to the best of our knowledge and belief and are reviewed on an ongoing basis. This applies in particular to the possible effects of the current global Corona pandemic and the war in Ukraine.

Uncertainties remain in the assessment of the impact of the existing Corona pandemic on the current business development compared to December 31, 2021.

Added to this are the effects of the war in Ukraine. There is an exceptionally high level of uncertainty regarding future prospects due to the macroeconomic framework conditions. For this reason, the extent of the consequences on the development of earnings, such as rising and fluctuating energy, material and raw material prices as well as volatile customer call-off behaviour, is associated with a high degree of uncertainty.

13. Auditor's review of the interim report

The interim financial statements and the interim Management Report have neither been audited in accordance with section 317 of the German Commercial Code (HGB) nor reviewed by an auditor.

14. Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, we assure that the interim consolidated financial statements give a true and fair view of the Group's assets, liabilities, financial position and profit or loss, and the interim Group Management Report provides a fair view of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

August 10, 2022

Dr. Andreas Bastin
Chief Executive Officer

Mark Becks
Chief Financial Officer



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