

# Interim Report First Half-Year 2023





# Key figures

## Highlights of the first six months of 2023

- 7.3% increase in turnover despite declining economic momentum
- 12.9% EBIT margin despite special charges
- Dividend increase to EUR 0.20 per share
- Order intake remains solid
- Full-year forecast confirmed
- Future programme HERO@ZERO launched

## Masterflex at a glance

In EUR thousand	01.01.-30.06.23*	01.01.-30.06.22*	Change
Consolidated revenue	52,684	49,112	7.3%
EBITDA	9,371	9,127	2.7%
EBIT (operational)	6,779	6,696	1.2%
EBIT	6,647	6,664	-0.3%
EBT (operational)	6,220	6,390	-2.7%
Financial result	-559	-242	131.0%
Consolidated result	4,268	4,663	-8.5%
Consolidated earnings per share (EUR)	0.44	0.49	-10.2%
EBIT-margin (operational)	12.9%	13.6%	
Net return on sales	8.1%	9.5%	
Employees (number)	618	582	6.2%

	30.06.23*	31.12.22	Change
Consolidated equity	54,083	51,985	4.0%
Consolidated total assets	91,789	90,218	1.7%
Consolidated equity ratio	58.9%	57.6%	

\* unaudited



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# Foreword by the Chairman of the Management Board

*Dear shareholders,*

Another successful, but also challenging half-year lies behind us. In the first half of the current 2023 financial year, we as the Masterflex Group were once again able to defy the numerous challenges and increased our revenue despite recessionary developments in some customer industries, supply chains that have not yet been fully restored, high input prices and ongoing geopolitical uncertainties. And strategically, we have also successfully taken decisive steps into the future.

## Further revenue growth

Specifically, we were able to increase Group revenue in the first half of 2023 by 7.3% to EUR 52.7 million compared to the extraordinarily strong prior-year period of EUR 49.1 million. This development was driven by positive volume effects, particularly in medical technology and aviation, as well as price effects. Our operating earnings before interest and taxes (operating EBIT) amounted to EUR 6.8 million after EUR 6.7 million in the same period of the previous year. Overall, we thus achieved an operating EBIT margin of 12.9% in relation to Group turnover, after 13.6% in the previous year. Due to rising financing costs, the consolidated net income of EUR 4.3 million (previous year: EUR 4.7 million) was 8.5% below the previous year's value.

We recorded good demand dynamics, especially in the aviation business, in the life science sector and in medical technology. Not surprising in view of the recessionary tendencies, however, is the interim decline in demand in the classic cyclical sectors. Once again, the development in the first half of 2023 shows that we can compensate for cyclical fluctuations in individual customer industries through our broad industry expertise.

The result in the first half of the year was influenced by several simultaneously occurring special effects at our subsidiary APT Advanced Polymer Tubing GmbH. These related to the ERP conversion, the relocation from Neuss to Düsseldorf and the associated higher rental costs, as well as raw material price increases that could not yet be taken into account in the sales prices. Overall, these effects reduced EBIT by EUR 0.9 million. We do not expect any cost-burdening special effects in the second half of the year. In addition, we are continuing our successful efficiency measures within the framework of our B2DD efficiency programme in order to realise further margin increases.

With the successful business development despite the economic headwind, we were also able to further strengthen our balance sheet. Equity in the first half of 2023 amounts to EUR 54.1 million after EUR 52.0 million at the end of the 2022 financial year. Our equity ratio is thus a rock-solid 58.9% (31 December 2022: 57.6%), and the balance sheet quality of the Masterflex Group is first-class.

**Dr. Andreas Bastin**

Chief Executive Officer

## Dividend increase by 67% to EUR 0.20

Our Annual General Meeting took place on 07 June 2023 as an attendance event. The successful business development in the 2022 financial year enabled us to increase the dividend distribution by around 67% compared to the previous year and to allow our shareholders to participate in the success of the 2022 financial year with a dividend of EUR 0.20 per share (previous year: EUR 0.12). EUR 1,923,667 (previous year: EUR 1,154,200) of the net retained profits of Masterflex SE were distributed. We will continue to adhere to our dividend policy, which provides for significant profit participation for our shareholders.

## Growth strategy 2030 – with HERO@ZERO into the circular economy

In the past first half of the year, we have set a decisive strategic course for the future. The focus is on our new future programme HERO@ZERO, which is another important factor in our growth strategy. We are also taking into account our responsibility as a plastics processing company and are positioning our company for the future against the background of the expected, ecologically oriented legislative initiatives. Plastics will continue to play a decisive role in many areas of application, especially in solving major climate and environmental tasks in the field of renewable energies, smart cities, lightweight construction or e-mobility. For us, plastic is not a disposable product, but a high-quality and recyclable raw material thanks to our use of non-toxic high-tech polymers. We have therefore decided to expand our business model in order to be able to participate economically in the after-use life cycle of our products, which is gaining in importance, beyond the ecological sustainability concept.



HERO@ZERO is our future programme to transform our products into a circular economy. We have long since created the data platform that is absolutely necessary for a circular economy of hoses and connection solutions with our digital hose world AMPIUS. We have already been collecting data from the life cycle of hose systems for several years. With HERO@ZERO, we are building on the knowledge we have gained from this so far and have entered into a cooperation with the recycling specialist REMONDIS to close the missing links in the chain for a real circular economy. Together we want to develop new ecologically and economically attractive business models. We are aware that achieving the goals associated with our vision will only be possible in the very long term. However, we are convinced that HERO@ZERO will bring Masterflex, apart from the ecological advantages, an even higher customer attractiveness and customer loyalty as well as an economically promising expansion of the business model with services around the topic of digitalised connection technology with predictable sales revenues and reduced resource consumption.

## Outlook for 2023

With a view to the rest of 2023, we are in line with our forecast formulated when the annual report was published. We continue to expect solid demand in the medical technology, life science, aerospace and semiconductor industries, while cyclical industries are showing signs of slowing down. We continue to look to the rest of the year with optimism and an adequate degree of caution. Of course, we would not be able to escape a prolonged recession in all of the end markets we address. We, therefore, confirm our previous forecast: Provided there is no deterioration in the development as a result of the war in Ukraine or an increase in recessionary developments in the economy, in the supply of raw materials, as well as a substantial inflation-related adverse increase in material and personnel costs, we assume that we will be able to realise an increase in revenue to between EUR 103 and 110 million in the 2023 financial year. At the same time, we expect an operating EBIT of between EUR 11.0 and 14.0 million.

We would like to thank our employees for their great commitment. We thank you, dear shareholders, for your trust. We want to lead Masterflex into the future and into the next growth phase with HERO@ZERO. Masterflex is moving forward with responsibility and foresight and is setting new standards in the industry and beyond with its high level of innovation. Please continue to place your trust in Masterflex and let us move forward together into an exciting future for our company.

Sincerely yours,

**Dr. Andreas Bastin**  
Chief Executive Officer





## Masterflex Share and Annual General Meeting

### Share price development in the first half of 2023

The international stock markets developed positively in the first half of 2023, despite various existing and new negative factors. The central banks in the most important industrial nations maintained their restrictive interest rate policy during the first six months, but in view of the slow decline in inflation, the market began to hope that the cycle of interest rate increases would soon come to an end, at least in the USA. A threatened collapse of the US regional banking sector in the context of high deposit outflows only weighed on the market for a short time. The rapid rescue and stabilisation measures taken by the government in particular by the US Federal Reserve and the US banking supervisory authority quickly calmed the markets again after a correction in March and averted the danger of a new US banking crisis.

In an economic environment characterised by declining economic momentum compared to 2022, the stock markets recorded significant price gains in the first six months of 2023. In the first half of 2023, the German share index DAX recorded a plus of 16% compared to the closing price in 2022 and thus developed one percentage point better than the Prime All Share Index with plus 15% and also better than MDAX and SDAX with +9.9% and +12.4%<sup>1</sup>.

The Masterflex share opened the 2023 stock market year with a Xetra price of EUR 8.46. The half-year low was EUR 8.34 on 12 January. With a solid business performance in the reporting period, the quotation rose to a half-year high of EUR 12.70 on 16 May and ended the first half of 2023 on 30 June 2023 with an Xetra closing price of EUR 10.95.

Thus, based on Xetra prices, the Masterflex share recorded a price increase of 32.9% in the reporting period and thus outperformed all selection indices of Deutsche Börse. Including the dividend of EUR 0.20 per share (previous year: EUR 0.12), this resulted in a total return of 35.3% in the first half of 2023.

The average daily trading volume of the Masterflex share on all German trading venues totalled 5,821 shares in the reporting period (previous year: 5,462 shares).

As at 30 June 2023, the stock market value of Masterflex SE amounted to EUR 105.3 million with a total of 9,618,334 shares issued and a closing price of EUR 10.95. As at the 2022 reporting date, the market capitalisation was EUR 79.3 million with the same number of shares and a closing price of EUR 8.24 (all figures based on Xetra prices).

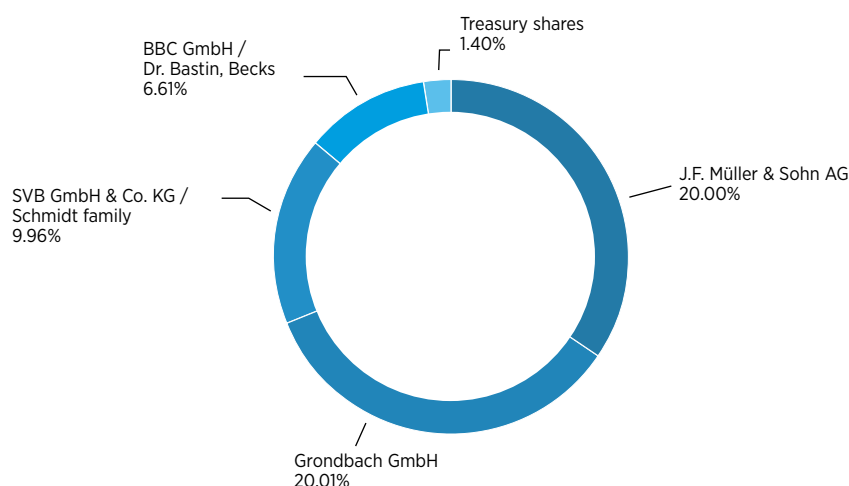
### Masterflex share price performance in the first half of 2023 compared to the SDAX





## Shareholder structure

The shareholder structure of Masterflex SE did not show significant changes in the first half of 2023. 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% (31 December 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 analysed and evaluated by renowned research houses. In his study of 9 May 2023, analyst Miguel Lago Mascato of Montega AG rates the share as „Buy“ with a price target of EUR 16.00. The analyst of Metzler Research, Alexander Neuberger, again recommended the Masterflex share as a „buy“ on 11 May 2023 and assigned a price target of EUR 12.50. In addition, the experts at SMC Research, which specialises in small-cap shares, once again recommended the Masterflex share as a buy on 5 July 2023 with a target of EUR 14.20.

Based on the closing price of EUR 10.95 on 30 June 2023, this results in a further price potential of 29.7% to 46.1% for the Masterflex share. Compared to the average analyst price target of EUR 14.23, this results in a price opportunity of approx. 30%.

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

## Annual General Meeting 2023 and Dividend

Masterflex SE continued its dividend policy with the Annual General Meeting held on 7 June 2023. In accordance with the resolution of the Annual General Meeting, a dividend of 20 cents per share, increased by around 67% compared to 2022, was distributed to the shareholders (previous year: 12 cents per share). This means that a total of around EUR 1,923,667 (previous year: EUR 1,154,200) was distributed from the net profit of Masterflex SE. The presence was 61.8% of the share capital (2022: 60.7%). The Annual General Meeting expressed its confidence in the members of the Management Board and the Supervisory Board of Masterflex SE for the 2022 financial year and approved all items on the agenda with large majorities. In his speech, CEO Dr. Andreas Bastin went into detail about the HERO@ZERO strategy expansion that had been resolved and which is a fundamental part of Masterflex's future growth strategy.





## Capital market communication

The Masterflex Group maintains an open and timely information policy towards all participants of the capital market. As far as the competitive position of the Masterflex Group as one of the few listed hose manufacturers allows, the most detailed data possible is also made available. The aim of capital market communication is to contribute to a fair valuation of the share through a high level of transparency and regular awareness of the capital market. In the reporting period, the Executive Board intensified contact with capital market participants at virtual roadshows and virtual investor conferences. In addition, the management of Masterflex SE was in continuous exchange with the press, investors and financial analysts.

## Financial Calendar 2023

August 9	Half-year Report 2023
August 23	HIT Hamburg Investors Day
November 8	Quarterly Report Q3/2023

The Financial calendar is published on the website of the company ([www.masterflexgroup.com](http://www.masterflexgroup.com)).

## 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 105.3 million



# Interim Group Management Report for the first half of 2023

## Business Development

The Masterflex Group has made a strong start to the 2023 financial year despite the economic headwind, which was particularly evident in the cyclical industries in the second quarter.

The business performance in the first half of 2023 was characterised by a continued robust order situation, recessionary developments in some customer industries, continued high inflation and thus also high input costs, geopolitical uncertainties and rising interest rates.

## Results of Operations of the Group

### 1.1 Revenue development and incoming orders

Masterflex achieved a 7.3% increase in revenue in the reporting period compared to the strong revenue period of the previous year. Consolidated revenue showed growth to EUR 52.7 million in the first half of 2023, compared to EUR 49.1 million in the first half of 2022. The significant increase in revenue was driven by both volume increases in the medical business and aviation, as well as price adjustments in response to dramatically rising raw material and energy prices.

Revenue growth was driven by almost all companies and was particularly high in medical technology and aviation. The share of high-margin medical technology in total revenue increased from 18% in the same period last year to 19% in the first half of 2023.

Order intake in the first half of 2023 was satisfactory despite the recessionary trends, particularly in the second quarter. The order backlog fell only slightly from EUR 22.8 million as at 31 December 2022 to EUR 22.5 million as at 30 June 2023.

### 1.2 Development of earnings

Operating earnings before interest and taxes (EBIT before non-operating income and expenses) increased by EUR 0.1 million to EUR 6.8 million in the first half of 2023, compared to EUR 6.7 million in the same period of the previous year. This corresponds to an operating EBIT margin of 12.9% (06/2022: 13.6%) based on revenue.

It must be taken into account that several simultaneously occurring special effects at our subsidiary APT Advanced Polymer Tubing GmbH had an extraordinarily negative impact on the result. These resulted from the ERP conversion, the move from Neuss to Düsseldorf and thus correspondingly higher rental costs and raw material price increases, which could not yet be taken into account in the sales prices. Overall, these effects reduced the EBIT by EUR 0.9 million.

The stability of results was characterised by both a slightly decreasing material usage ratio and an increasing personnel usage ratio. The material usage ratio (measured against total output) was 33.0% as of 30 June 2023 (06/2022: 33.5%). The increase in personnel is mainly due to the resumption of production at the Plana site in the Czech Republic. In the first half of the year, the ratio of personnel costs to total operating revenue was 34.0%, compared to 33.1% in the same period of the previous year, which mainly reflects the strong increase in personnel costs due to inflation.



Other expenses rose from EUR 7.8 million in the previous year to EUR 8.7 million in the first half of 2023 due to rising energy and freight prices.

Depreciation and amortisation of EUR 2.6 million increased only slightly in the first half of 2023 compared to the same period last year. This effect is due in particular to IFRS 16 accounting.

Due to the sharp rise in interest rates from mid-2022 onwards, financing costs increased from EUR 0.2 million in the first half of 2022 to EUR 0.6 million in 2023, despite the contractual repayment of the syndicated loan.

Consolidated net income for the first six months of the current financial year amounted to EUR 4.3 million (06/2022: EUR 4.7 million). Earnings per share thus decreased slightly to EUR 0.44 in the reporting period (after EUR 0.49 in the comparable period of the previous year).

## Net Assets of the Group

The increase in the balance sheet total by EUR 1.6 million to EUR 91.8 million as at 30 June 2023 (31 December 2022: EUR 90.2 million) is mainly due to the build-up of inventories in the amount of EUR 2.1 million and the increase in trade receivables in the amount of EUR 3.4 million with a simultaneous reduction of cash and bank balances by EUR 4.8 million. The increase in trade receivables is attributable to the 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 4.8 million to EUR 5.0 million as at 30 June 2023 (31 December 2022: EUR 9.7 million), reflecting in particular the working capital build-up and the increased dividend.

Due to the positive earnings situation of the Masterflex Group, equity increased by EUR 2.1 million to EUR 54.1 million as at 30 June 2023. This corresponds to an equity ratio of 58.9% as at 30 June 2023 after 57.6% as at 31 December 2022.

## Financial Position of the Group

Net debt amounted to EUR 20.4 million as of 30 June 2023 (31 December 2022: EUR 16.8 million). The ratio of net debt to EBITDA increased slightly to 1.2 at the end of the first half of 2023 (31 December 2022: 1.0).

Due to the contractual repayment of the syndicated loan, non-current financial liabilities decreased and stood at EUR 25.3 million as at 30 June 2023 (31 December 2022: EUR 26.6 million).

The development of cash flow in the first half of 2023 was significantly influenced by the decrease in trade payables and the increased dividend payment compared to the same period of the previous year. Cash flow from operating activities amounted to approximately EUR 1.2 million in the first half-year (previous year: EUR 1.0 million). Cash flow from investing activities in the first half-year increased slightly compared to the previous year to around EUR 2.4 million (previous year: EUR 2.2 million). The payment of the dividend for the 2022 financial year in the amount of EUR 1.9 million (EUR 0.20 per share) and the higher interest expenses in the amount of EUR 0.5 million (previous year: EUR 0.1 million) characterised the development of the cash flow from financing activities.



## Employees

The number of employees increased on average from 582 in the first half of 2022 to 618 in the first half of 2023. The expansion took place in particular at the Plana site in the Czech Republic, where production of hoses for the aviation industry was resumed.

## Research and development

In the first half of 2023, 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 2022. 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, no change has occurred in the first half of 2023.

## 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 recessionary developments in part of our sales markets due to rising interest rates and a significant cooling off of demand and investment activity,
- the further development of interest rates and
- the further course of the Ukraine war will

will be decisive for the further development of the Masterflex Group.

Special effects that burden costs in the first half of the year are not expected in the second half of the year. Masterflex is rather continuing the successful efficiency measures within the framework of the „Back To Double Digit“ efficiency programme as standard and continuously in order to realise further margin increases. Therefore, and especially due to the successful first half of the year as well as the solid order situation, the management expects a continued very profitable business development in the second half of 2023. For the current financial year, the management therefore confirms the target of generating sales revenues in a range of EUR 103 million to EUR 110 million. The forecast for EBIT, which is expected to be in the range of EUR 11.0 million to EUR 14.0 million, is also confirmed.

Gelsenkirchen, August 9, 2023

**Dr. Andreas Bastin**

Chief Executive Officer

**Mark Becks**

Chief Financial Officer



# Interim Consolidated Financial Statements

## Consolidated Statement of Financial Position

Assets in €k	30.06.2023*	31.12.2022
<b>Non-current assets</b>		
<b>Intangible assets</b>	<b>13,269</b>	<b>13,207</b>
Concessions, industrial property rights	1,397	1,473
Development costs	2,139	2,030
Goodwill	9,187	9,187
Advance payments	546	517
<b>Property, plant and equipment</b>	<b>35,818</b>	<b>35,929</b>
Land and buildings	19,977	20,461
Technical equipment and machinery	11,728	11,827
Other equipment, operating and office equipment	3,037	2,870
Advance payments and assets under construction	1,076	771
<b>Financial assets</b>	<b>77</b>	<b>87</b>
Investment securities	77	87
<b>Other assets</b>	<b>136</b>	<b>252</b>
<b>Deferred taxes</b>	<b>50</b>	<b>44</b>
	<b>49,350</b>	<b>49,519</b>
<b>Current Assets</b>		
<b>Inventories</b>	<b>23,345</b>	<b>21,274</b>
Raw materials, consumables and supplies	14,119	12,363
Unfinished goods and services	523	480
Finished goods and products	8,702	8,382
Advance payments	1	49
<b>Receivables and other assets</b>	<b>14,062</b>	<b>9,642</b>
Trade receivables	12,167	8,767
Other assets	1,895	875
<b>Income tax assets</b>	<b>47</b>	<b>37</b>
<b>Cash in hand and bank balances</b>	<b>4,985</b>	<b>9,746</b>
	<b>42,439</b>	<b>40,699</b>
<b>Total assets</b>	<b>91,789</b>	<b>90,218</b>

\* unaudited



## Consolidated Statement of Financial Position

Equity and liabilities in €k	30.06.2023*	31.12.2022
<b>Equity</b>		
<b>Consolidated equity</b>	<b>53,691</b>	<b>51,613</b>
Issued capital	9,618	9,618
Capital reserve	31,306	31,306
Retained earnings	13,260	11,339
Reserve for the market valuation of financial instruments	-630	-620
Hedging instruments	111	172
Currency differences	26	-202
<b>Non-controlling interests</b>	<b>392</b>	<b>372</b>
<b>Total equity</b>	<b>54,083</b>	<b>51,985</b>
<b>Non-current liabilities</b>		
<b>Provisions</b>	<b>347</b>	<b>347</b>
<b>Financial liabilities</b>	<b>23,448</b>	<b>24,091</b>
<b>Other liabilities</b>	<b>661</b>	<b>661</b>
<b>Deferred taxes</b>	<b>1,962</b>	<b>989</b>
	<b>26,418</b>	<b>26,088</b>
<b>Current liabilities</b>		
<b>Provisions</b>	<b>153</b>	<b>145</b>
<b>Financial liabilities</b>	<b>1,927</b>	<b>2,495</b>
<b>Income tax liabilities</b>	<b>1,370</b>	<b>1,879</b>
<b>Other liabilities</b>	<b>7,838</b>	<b>7,626</b>
Trade payables	3,346	2,368
Other liabilities	4,492	5,258
	<b>11,288</b>	<b>12,145</b>
<b>Total equity and liabilities</b>	<b>91,789</b>	<b>90,218</b>

\* unaudited





## Consolidated Statement of Income for the First Half-Year

	01.01.–30.06.23*	01.01.–30.06.22*
	€k	€k
1. Revenue	52,684	49,112
2. Increase in inventories of finished and unfinished goods	414	419
3. Other own work capitalised	17	28
4. Other income	447	343
<b>Operating performance</b>	<b>53,562</b>	<b>49,902</b>
5. Cost of materials	-17,523	-16,604
6. Personnel expenses	-18,068	-16,387
7. Depreciation and amortisation	-2,592	-2,431
8. Other expenses	-8,732	-7,816
9. Financial result		
Financial expenses	-563	-245
Other financial result	4	3
<b>10. Earnings before taxes</b>	<b>6,088</b>	<b>6,422</b>
11. Income taxes	-1,800	-1,729
<b>12. Consolidated result</b>	<b>4,288</b>	<b>4,693</b>
thereof: non-controlling interests	20	30
<b>    thereof: share of shareholders of Masterflex SE</b>	<b>4,268</b>	<b>4,663</b>
<b>Earnings per share (undiluted and diluted) in €</b>	<b>0.44</b>	<b>0.49</b>

\* unaudited



## Consolidated Statement of Comprehensive Income for the First Half-Year

	01.01.-30.06.23*	01.01.-30.06.22*
	€k	€k
<b>Consolidated result</b>	<b>4,288</b>	<b>4,693</b>
<b>Other income</b>		
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	-195	611
2. Changes in the fair value of financial instruments	-10	-23
3. Changes in the fair value of hedging transactions	-86	184
4. Income taxes	25	-32
<b>5. Other income after taxes</b>	<b>-266</b>	<b>740</b>
<b>6. Comprehensive income</b>	<b>4,022</b>	<b>5,433</b>
<b>Comprehensive income</b>	<b>4,022</b>	<b>5,433</b>
thereof: non-controlling interests	20	30
<b>thereof: share of shareholders of Masterflex SE</b>	<b>4,002</b>	<b>5,403</b>

\* unaudited



## Consolidated Statement of Income for the Second Quarter

	01.04.-30.06.23*	01.04.-30.06.22*
	€k	€k
1. Revenue	25,051	25,209
2. Increase in inventories of finished and unfinished goods	256	412
3. Other own work capitalised	17	10
4. Other income	199	208
<b>Operating performance</b>	<b>25,523</b>	<b>25,839</b>
5. Cost of materials	-8,582	-8,406
6. Personnel expenses	-8,912	-8,365
7. Depreciation and amortisation	-1,307	-1,213
8. Other expenses	-4,209	-4,190
9. Financial result		
Financial expenses	-306	-120
Other financial result	3	3
<b>10. Earnings before taxes</b>	<b>2,210</b>	<b>3,548</b>
11. Income taxes	-1,359	-974
<b>12. Consolidated result</b>	<b>851</b>	<b>2,574</b>
thereof: non-controlling interests	6	20
<b>thereof: share of shareholders of Masterflex SE</b>	<b>845</b>	<b>2,554</b>
<b>Earnings per share (undiluted and diluted) in €</b>	<b>0.08</b>	<b>0.27</b>

\* unaudited



## Consolidated Statement of Comprehensive Income for the Second Quarter

	01.04.-30.06.23*	01.04.-30.06.22*
	€k	€k
<b>Consolidated result</b>	<b>851</b>	<b>2,574</b>
<b>Other income</b>		
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	-75	495
2. Changes in the fair value of financial instruments	-13	-22
3. Changes in the fair value of hedging transactions	-37	167
4. Income taxes	11	-27
<b>5. Other income after taxes</b>	<b>-114</b>	<b>613</b>
<b>6. Comprehensive income</b>	<b>737</b>	<b>3,187</b>
<b>Comprehensive income</b>	<b>737</b>	<b>3,187</b>
thereof: non-controlling interests	6	20
<b>thereof: share of shareholders of Masterflex SE</b>	<b>731</b>	<b>3,167</b>

\* 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- diffe- rences	Shares of share- holders of Masterflex SE	Non- controlling inter- ests	Equity
<b>in €k</b>									
<b>Equity as af 31.12.2022</b>	<b>9,618</b>	<b>31,306</b>	<b>11,339</b>	<b>-620</b>	<b>172</b>	<b>-202</b>	<b>51,613</b>	<b>372</b>	<b>51,985</b>
Distributions	0	0	-1,924	0	0	0	-1,924	0	-1,924
<b>Comprehensive income</b>	<b>0</b>	<b>0</b>	<b>3,845</b>	<b>-10</b>	<b>-61</b>	<b>228</b>	<b>4,002</b>	<b>20</b>	<b>4,022</b>
Consolidated result	0	0	4,268	0	0	0	4,268	20	4,288
Other income after income taxes	0	0	-423	-10	-61	228	-266	0	-266
Changes in the fair value of financial instruments	0	0	0	-10	0	0	-10	0	-10
Changes in the fair value of hedging instruments	0	0	0	0	-86	0	-86	0	-86
Currency gains/los- ses from the trans- lation of foreign financial statements	0	0	-423	0	0	228	-195	0	-195
Income taxes on other compre- hensive income	0	0	0	0	25	0	25	0	25
<b>Equity as of 30.06.2023</b>	<b>9,618</b>	<b>31,306</b>	<b>13,260</b>	<b>-630</b>	<b>111</b>	<b>26</b>	<b>53,691</b>	<b>392</b>	<b>54,083</b>
<b>Equity as of 31.12.2021</b>	<b>9,618</b>	<b>31,306</b>	<b>4,654</b>	<b>-595</b>	<b>25</b>	<b>-353</b>	<b>44,655</b>	<b>322</b>	<b>44,977</b>
Distributions	0	0	-1,154	0	0	0	-1,154	-19	-1,173
<b>Comprehensive income</b>	<b>0</b>	<b>0</b>	<b>4,663</b>	<b>-23</b>	<b>184</b>	<b>579</b>	<b>5,403</b>	<b>30</b>	<b>5,433</b>
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
Exchange gains/los- ses from the trans- lation of foreign financial statements	0	0	0	0	0	611	611	0	611
Income taxes on other compre- hensive income	0	0	0	0	0	-32	-32	0	-32
<b>Equity as of 30.06.2022</b>	<b>9,618</b>	<b>31,306</b>	<b>8,163</b>	<b>-618</b>	<b>209</b>	<b>226</b>	<b>48,904</b>	<b>333</b>	<b>49,237</b>



## Consolidated Statement of Cash Flows

in €k	30.06.2023*	30.06.2022*
Result for the period before taxes, interest expenses and financial income	6,627	6,634
Income tax expenses	-808	-735
Depreciation and amortisation on property, plant and equipment and intangible assets	2,592	2,431
Increase in provisions	8	96
Other non-cash income and gains from the disposal of non-current assets	3	2
Increase in inventories	-2,071	-3,046
Increase in trade receivables and other assets not attributable to investing or financing activities	-4,391	-6,674
Decrease/Increase in trade payables and other liabilities not attributable to investing or financing activities	-731	2,254
<b>Cash flow from operating activities</b>	<b>1,229</b>	<b>962</b>
Payments for investments in non-current assets	-2,412	-2,227
<b>Cash flow from investing activities</b>	<b>-2,412</b>	<b>-2,227</b>
Dividends to Masterflex shareholders	-1,924	-1,173
Interest and dividend income	4	3
Interest payments	-501	-137
Payments for lease liabilities	-635	-554
Payments for the repayment of loans	-750	-750
<b>Cash flow from financing activities</b>	<b>-3,806</b>	<b>-2,611</b>
<b>Cash-effective changes in cash and cash equivalents</b>	<b>-4,989</b>	<b>-3,876</b>
Changes in cash and cash equivalents due to exchange rates and other changes in value	228	579
<b>Cash and cash equivalents at the beginning of the period</b>	<b>9,746</b>	<b>9,550</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>4,985</b>	<b>6,253</b>

\* 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 2022.

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 2022.

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 77 thousand. In the first half of the year, market value reductions in the amount of EUR 10 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 3,200,000 amounted to 158 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 -86 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 2023, the amount recognised in the reserve for hedging instruments is 158 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 0.20 per share on June 7, 2023. The distribution of a total of EUR 1,923,666.80 was made on 13 June 2023.

### 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, 2022. The Masterflex Group reports one operating segment, the core business unit High-tech Hose Systems (HTS).



## Segment Reporting June 30, 2023

in €k	High-tech Hose Systems
Sales revenue from third parties	52,684
EBIT	6,647
Investments in property, plant and equipment and intangible assets	2,412
Depreciation	2,592
Assets	91,789

## 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

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

Reconciliation to the Group's earnings after taxes in €k	30.06.2023	30.06.2022
<b>EBIT</b>	<b>6,647</b>	<b>6,664</b>
Interest income / income from investments	4	3
Interest and similar expenses, etc.	-563	-245
<b>EBT</b>	<b>6,088</b>	<b>6,422</b>
Taxes on income and earnings	-807	-885
Deferred taxes	-993	-844
<b>Earnings after taxes</b>	<b>4,288</b>	<b>4,693</b>

## 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 2023, the undiluted earnings per share amounted to EUR 0.44 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 2023, there are 134,126 treasury shares held by Masterflex SE.

## 8. Employees

The number of employees in the reporting period was 618, up 6.2% on the previous year's figure of 582 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 2023, 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 2022 Annual Report under item 33.

## 12. Special aspects of the fiscal year in connection with 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 war in Ukraine.

As things stand, the war in Ukraine will not have a serious impact on the development of the Masterflex Group. However, this could change dramatically if the war intensifies and expands.

## 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 9, 2023

**Dr. Andreas Bastin**  
Chief Executive Officer

**Mark Becks**  
Chief Financial Officer



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