



CONSOLIDATED INTERIM REPORT FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2022

# Key figures at a glance

## Financial position and results of operations

(in EUR million)

	1 Jan – 31 Mar 2022	1 Jan – 31 Mar 2021
Sales	127.0	138.2
Total output <sup>1</sup>	150.6	149.7
Gross profit	64.8	69.7
EBITDA <sup>2</sup>	1.2	8.4
EBIT <sup>3</sup>	-1.5	5.5
Cash flow from operating activities	-5.8	-0.8
Cash flow from investing activities	-2.6	-2.0

## Net assets

(in EUR million)

	31 Mar 2022	31 Dec 2021
Total assets	346.0	341.7
Equity	126.2	131.1
Equity ratio <sup>4</sup>	36.5 %	38.4 %
Working capital <sup>5</sup>	85.3	78.7
Net cash and cash equivalents <sup>6</sup>	75.7	84.3
Employees <sup>7</sup>	2,835	2,787

<sup>1</sup> Sales plus change in inventories and other own work capitalised

<sup>2</sup> Consolidated net income before depreciation and amortisation, financial result and income taxes

<sup>3</sup> Consolidated net income before financial result and income taxes

<sup>4</sup> Equity/total assets

<sup>5</sup> Inventories plus trade receivables minus trade payables

<sup>6</sup> Bank balances incl. securities classified as current assets minus liabilities to banks

<sup>7</sup> Average headcount for the year excluding trainees

## 1 Interim Group Report

Basic information on the Group	8
Economic report	12
Outlook	16

## 2 Financial Data

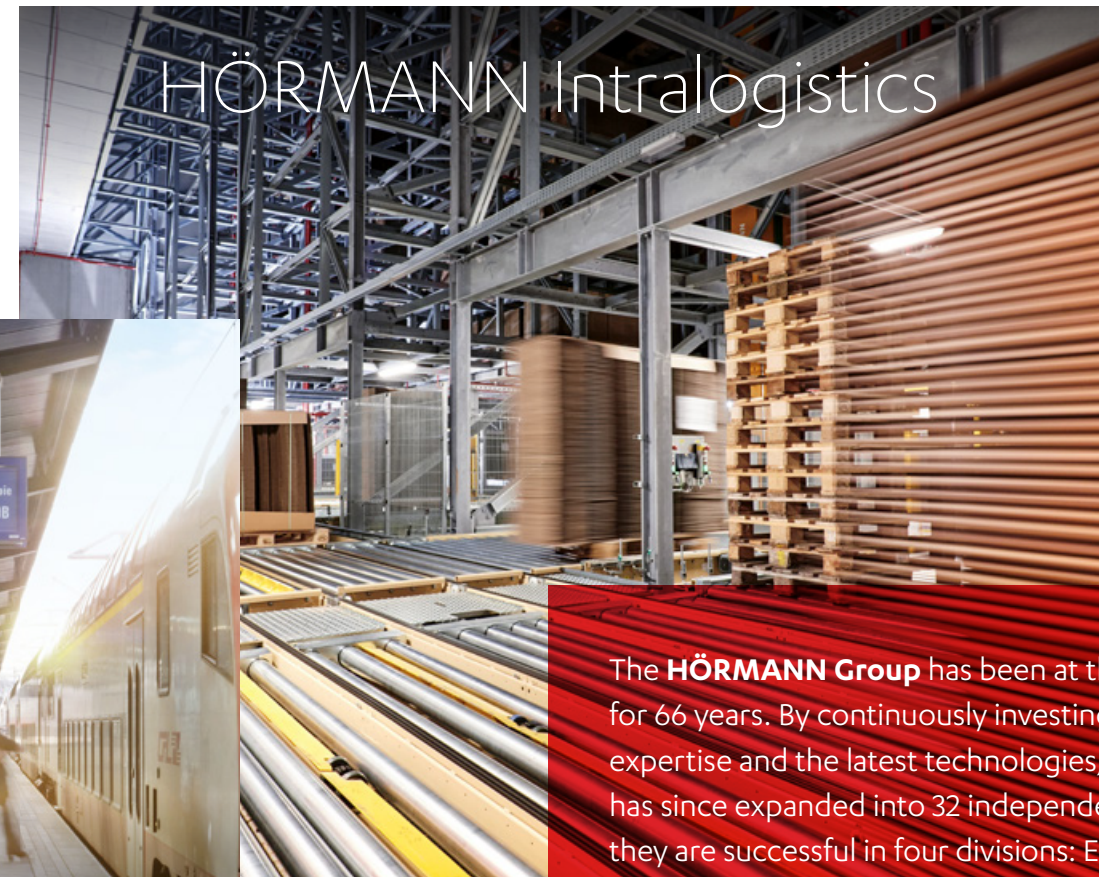
Consolidated Balance Sheet – Assets	20
Consolidated Balance Sheet – Equity and Liabilities	21
Consolidated Income Statement	22
Consolidated Cash Flow Statement	23
Consolidated Statement of Changes in Fixed Assets	24
Consolidated Statement of Equity Changes	26

**Interim Group Report**

- 8 Basic information on the Group
- 12 Economic Report
- 16 Outlook



# Broad diversification with four strong divisions



HÖRMANN Intralogistics



HÖRMANN Communication

The **HÖRMANN Group** has been at the forefront of innovation for 66 years. By continuously investing in our employees' expertise and the latest technologies, the family-owned company has since expanded into 32 independent companies. Together, they are successful in four divisions: Engineering, Communication, Intralogistics and Automotive. The divisions cooperate and support one another, thus ensuring a high degree of stability for the Group and creating synergies.



HÖRMANN Automotive



HÖRMANN Engineering



# Basic information on the Group

The Group, comprising HÖRMANN Industries GmbH and its direct and indirect subsidiaries, constitutes the industrial subgroup of the HÖRMANN Group. The Group is broken down into four business divisions to which the individual companies are allocated.

Active subsidiaries also include HÖRMANN Digital GmbH, Kirchseeon, an overarching service provider for the development of software-based product solutions and enhancements, and HÖRMANN Informationssysteme GmbH, Ginsheim-Gustavsburg, a Group-wide service provider for IT infrastructure and software systems for business process digitalisation.

The information on the course of business is presented in line with the business division structure of the Group.

The material equity investments are allocated to the divisions as follows:

## AUTOMOTIVE

- ♦ HÖRMANN Automotive GmbH, Kirchseeon
- ♦ HÖRMANN Automotive Gustavsburg GmbH, Ginsheim-Gustavsburg
- ♦ HÖRMANN Automotive Slovakia s.r.o., Bánovce, Slovakia
- ♦ HÖRMANN Automotive St. Wendel GmbH, St. Wendel
- ♦ HÖRMANN Automotive Saarbrücken GmbH, Saarbrücken
- ♦ HÖRMANN Automotive Wackersdorf GmbH, Wackersdorf
- ♦ HÖRMANN Automotive Eislingen GmbH, Ebersbach
- ♦ HÖRMANN Automotive Assets GmbH, Kirchseeon

In the **Automotive** division, HÖRMANN Industries GmbH is a supplier of metal components, modules and systems for the European commercial vehicle, construction and agricultural machinery industries.

The division covers the entire value chain with its engineering, technology development, production and logistics services.

The largest domestic location is HÖRMANN Automotive Gustavsburg GmbH, which specialises in the production of premium chassis and body parts and attachments for commercial vehicles. It is also a manufacturer of side members.

The other locations include HÖRMANN Automotive St. Wendel GmbH, a manufacturer of metal components for the agricultural machinery industry in particular; HÖRMANN Automotive Saarbrücken GmbH, a manufacturer of interior systems such as interior ceilings for buses and complex assemblies and turn-key installation systems through to complete chassis for agricultural machinery; HÖRMANN Automotive Wackersdorf GmbH, which performs module assembly, packaging and logistics for customers; HÖRMANN Automotive Eislingen GmbH, a manufacturer of luggage compartment flaps, fuel tanks and hydraulic tanks for commercial vehicles and agricultural and construction machinery; and HÖRMANN Automotive Slovakia s.r.o., which produces labour-intensive metal components and chassis attachments for the commercial vehicle industry. HÖRMANN Automotive Assets GmbH holds assets and operating resources for companies in the Automotive division.

## ENGINEERING

- ♦ HÖRMANN BauPlan GmbH, Chemnitz
- ♦ HÖRMANN Rawema Engineering & Consulting GmbH, Chemnitz
- ♦ HÖRMANN Vehicle Engineering GmbH, Chemnitz
- ♦ VacuTec Meßtechnik GmbH, Dresden

In the first quarter of 2022, the companies HÖRMANN Logistik GmbH, Munich, HÖRMANN Logistik Polska Sp. z o.o., Gdansk, Poland, and Klatt Fördertechnik GmbH, Neumarkt a. Wallersee, Austria, were moved to the newly established Intralogistics division.

The **Engineering** division operates in industrial design and vehicle development. This service range is supplemented by the development and production of detectors for measuring ionising radiation. HÖRMANN Bauplan GmbH provides engineering services within the construction industry, with a particular focus on commercial and residential construction and especially technical building services.

HÖRMANN Rawema Engineering & Consulting GmbH supplements the service range with general planning and realisation for new factories and the re-engineering and/or relocation of existing factories and facilities.

HÖRMANN Vehicle Engineering GmbH harnesses its expertise and resources in high-tech design engineering for the development of rail and road vehicles.

VacuTec Meßtechnik GmbH develops, produces and markets a broad range of detectors for measuring ionising radiation for use in medicine, industrial metrology and environmental monitoring.

## INTRALOGISTICS

- ♦ HÖRMANN Intralogistik GmbH, Munich
- ♦ HÖRMANN Logistik GmbH, Munich
- ♦ HÖRMANN Logistik Polska Sp. z o.o., Gdansk, Poland
- ♦ HÖRMANN Logistik Systeme GmbH, Graz, Austria
- ♦ Klatt Fördertechnik GmbH, Neumarkt a. Wallersee, Austria
- ♦ HÖRMANN Services GmbH, Kirchseeon
- ♦ HÖRMANN Industriesservice GmbH, Lehre/Wolfsburg
- ♦ HÖRMANN Automationservice GmbH, Kirchseeon
- ♦ MAT Maschinentechnik GmbH, Salzgitter

The very dynamic market development and the significant increase in market demand for sophisticated system solutions for intralogistics, for automation solutions for production, warehousing and distribution logistics, and for services show strong growth potential. To expand this growth area in a targeted manner, the new strategic division **Intralogistics** was established in the first quarter of 2022, along with the intermediate holding company HÖRMANN Intralogistik GmbH, Kirchseeon, to which the companies HÖRMANN Logistik GmbH, Munich, HÖRMANN Logistik Polska Sp. z o.o., Gdansk, Poland, and Klatt Fördertechnik GmbH, Neumarkt a. Wallersee, Austria, were contributed. These entities were previously allocated to the Engineering division. HÖRMANN Logistik Systeme GmbH, Graz, Austria, was established and consolidated for the first time in the first quarter of 2022. With investments in extended product solutions and sales-focused internationalisation, the new strategic division Intralogistics is to become a pillar of profitable growth for the Group.

To complete the value chain, the Services division with the subsidiaries HÖRMANN Industrieservice GmbH, Lehre/Wolfsburg, HÖRMANN Automatisierungsservice GmbH, Kirchseeon, and MAT Maschinentechnik GmbH, Salzgitter, was integrated in the new Intralogistics division, also in the first quarter of 2022.

The Group operates in the Intralogistics division with HÖRMANN Logistik GmbH, HÖRMANN Logistik Polska Sp. z o.o. and HÖRMANN Logistik Systeme GmbH as general contractors in the planning and implementation of turnkey material flow systems. With intelligent workflow concepts and complex storage strategies, the most economical intralogistics solutions for individual requirements are implemented, thereby enabling international customers from a wide range of industries to generate significant productivity and efficiency improvements. With Klatt Fördertechnik GmbH, the portfolio has been expanded to include the products and conveyor systems developed, planned and manufactured by the company. Klatt Fördertechnik GmbH has developed into a European provider of conveyor systems for industry, airports, mail sorting centres, waste disposal and hospitals.

Through the integration of the Services division, the range of solutions can be expanded with extensive aftersales service and vertical integration can be increased with in-house assembly services and commissioning.

The service units HÖRMANN Services GmbH, HÖRMANN Industrieservice GmbH, HÖRMANN Automationservice GmbH and MAT Maschinentechnik GmbH contribute a service portfolio in electrical, mechanical, control, robot, welding and conveyor technology, pneumatic and hydraulic systems, shift-accompanying maintenance of process technology, and the assembly, commissioning and relocation of complete production plants.

#### COMMUNICATION

- ♦ Funkwerk AG, Köllda
- ♦ Funkwerk Technologies GmbH, Köllda
- ♦ FunkTech GmbH, Köllda
- ♦ Funkwerk Systems GmbH, Köllda
- ♦ Funkwerk Systems Austria GmbH, Vienna, Austria
- ♦ Funkwerk video systeme GmbH, Nuremberg
- ♦ Funkwerk IoT GmbH, Bremen
- ♦ Funkwerk vipro.sys GmbH, Leipzig
- ♦ HÖRMANN Kommunikation & Netze GmbH, Kirchseeon
- ♦ HÖRMANN Warnsysteme GmbH, Kirchseeon
- ♦ HÖRMANN - KMT Kommunikations- und Melde-technik GmbH, Salzburg, Austria

Funkwerk AG and its subsidiaries (the Funkwerk Group) are a technologically leading provider of innovative communication, information and security systems. It focuses on professional hardware and software concepts for railway companies, public transportation, inland shipping and airports in addition to smart electronic security systems to protect buildings, public spaces, industrial properties, transport and people. Funkwerk offers tailored solutions for voice and data communication using analogue and digital mobile networks (LTE, GSM-R) in rail transport.

HÖRMANN Kommunikation & Netze GmbH is a provider of installation, assembly and accompanying services for the public infrastructure relating to railway traffic and communication technology as well as energy supply.

HÖRMANN Warnsysteme GmbH and HÖRMANN – KMT Kommunikations – und Meldetechnik GmbH, Salzburg, Austria, bundle our state-of-the-art siren warning systems for alerting the fire brigade or warning the population about disasters. The project-specific solutions are performed from a single source, from planning, development and realisation to long-term maintenance.

» Even in difficult and challenging situations, it can be helpful to reflect on one's own strengths. These can be personal strengths but also the strengths of a community, a family or a Group such as HÖRMANN. «

MICHAEL RADKE, CEO

# Economic report

## GENERAL ECONOMIC AND INDUSTRY CONDITIONS

According to the German Federal Statistical Office (Destatis), gross domestic product (GDP) adjusted for inflation, seasonal and calendar effects increased by 0.2 % in the first quarter of 2022 as against the fourth quarter of 2021<sup>1</sup>. Compared to the first quarter of 2021 – when the German economy was impacted by the effects of the second wave of the coronavirus – the increase after adjustment for inflation and calendar effects came to 3.7 %. Following the recovery last summer and the decline at the end of 2021, higher investments in particular led to this slight increase in economic output. However, the economic effects of the war in Ukraine have increasingly been impacting the general economic development since late February. Destatis therefore also indicates that the results are subject to greater uncertainty than usual.

The war in Ukraine is also one of the main reasons for the persistently high price increases in Germany. After 4.9 % in January and 5.1 % in February 2022, the inflation rate rose to 7.3 % in March 2022 according to Destatis<sup>2</sup>. Prices for energy in particular rose sharply, significantly influencing the overall price increase. In addition, there were continuing supply bottlenecks as a result of disrupted supply chains due to the coronavirus pandemic and significant price increases at upstream economic levels, which had already impaired the economic recovery in the second half of 2021.

Incoming orders in the manufacturing sector also reflect the worsening economic situation in Germany. According to Destatis, incoming orders fell by 4.7 % in March as compared to February 2022 after adjustment for inflation, seasonal and calendar effects<sup>3</sup>. Compared to March 2021, incoming orders were 3.1 % lower after adjustment for calendar effects. The month-on-month decline is particularly due to international orders, the volume of which declined by 6.7 % in March as against February 2022. Incoming orders from outside the eurozone decreased by 13.2 %. By contrast, incoming orders from the eurozone rose by 5.6 %. Among manufacturers of capital

goods, incoming orders in March 2022 were down 8.3 % on the previous month, which is regarded as a sign of growing reticence in a politically and economically tense situation.

## FINANCIAL PERFORMANCE

HÖRMANN Industries GmbH generated **sales** of EUR 127.0 million in the first three months of the 2022 financial year. Sales were thus down EUR 11.2 million or 8.1 % on the first quarter of 2021. This decline in sales chiefly resulted from the Automotive division, which was negatively impacted in the first quarter of 2022 by the effects of the military conflict in Ukraine and the COVID-19 pandemic as well as the associated supply bottlenecks for electronic components.

In the **Automotive** division, sales declined by EUR 8.6 million from EUR 88.6 million in the previous year to EUR 80.0 million. In addition to the reduced production volume since mid-2021 due to the lack of electronic components, the Russian aggression in Ukraine is also having a massive impact on truck production at the key customer MAN Truck & Bus AG due to a lack of wire harnesses from Ukraine. MAN therefore had to suspend vehicle production in the period from mid-March to early May 2022. Accordingly, the plants in Gustavsburg and Banovce, Slovakia with a focus on truck components also had to substantially curtail production in this period, which had a negative impact on the sales performance and results of operations in the first quarter of 2022.

After a very good 2021, the **Communication** division also made a good start to the new financial year 2022 and recorded incoming orders of EUR 58.6 million in the first quarter of 2022 (previous year: EUR 60.7 million). With good capacity utilisation and the continuing effects of government stimulus programmes, sales growth of around 2.4 % year-on-year to EUR 35.0 million (previous year: EUR 34.1 million) was achieved.

With sales of EUR 5.1 million, not including the subsidiaries allocated to the new Intralogistics division, the **Engineering** division was down slightly on the first quarter of the 2021 financial year (previous year: EUR 5.8 million).

The new **Intralogistics** division generated sales of EUR 6.9 million in the first quarter of 2022 (previous year: EUR 10.1 million, as-if). In the first quarter of 2022, this new division focussed on the restructuring and the associated reorganisation. In operational terms, the focus is on completing the multi-year project orders. The division currently has orders on hand of more than EUR 100 million, while supply bottlenecks, rises in material prices and delays in construction are making it more difficult to implement the projects.

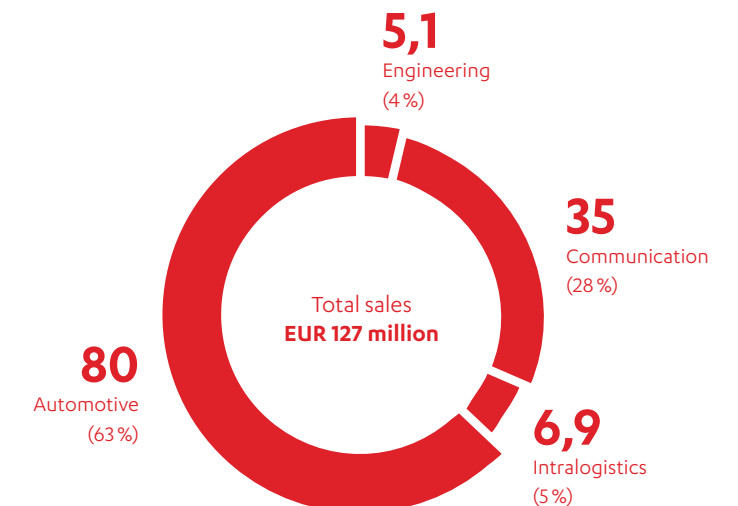
Taking into account an increase in inventories of EUR 23.6 million, **total output** amounted to EUR 150.6 million, up by EUR 0.9 million or 0.6 % on the same period of the previous year (EUR 149.7 million).

The **cost of materials** of EUR 88.1 million (previous year: EUR 81.4 million) included costs of raw materials, consumables and supplies, and of purchased merchandise, of EUR 71.4 million (previous year: EUR 65.5 million) and costs of purchased services of EUR 16.7 million (previous year: EUR 16.0 million). The cost of materials corresponded to 58.5 % of total output, up on the prior-year figure (54.4 %). The year-on-year increase in the cost of materials ratio was due to the business performance in the material-intensive Automotive and Intralogistics divisions with price rises for raw materials such as steel and purchased parts such as electronic components, as well as to the increase in energy costs for production.

**Other operating income** of EUR 2.2 million (previous year: EUR 1.4 million) includes EUR 0.3 million in income from the reversal of provisions, EUR 0.6 million in income from investment and research grants, EUR 0.4 million in payments in kind, EUR 0.4 million in income from disposals of assets, EUR 0.1 million in prior-period income and EUR 0.3 million in income from the reversal of write-downs.

At EUR 64.8 million, **gross profit** declined by EUR 4.9 million compared with the prior-year figure of EUR 69.7 million.

Breakdown of sales by business division for Q1 2022  
in EUR million



The **staff costs** of EUR 44.0 million were up EUR 1.8 million on the previous year (EUR 42.2 million). Staff costs corresponded to 29.2 % of total output, which was higher than the previous year's level (28.2 %). Excluding trainees, HÖRMANN Industries GmbH employed an average of 2,835 people in the first quarter of 2022 (2021: 2,787).

**Depreciation and amortisation** were down EUR 0.3 million year-on-year at EUR 2.7 million (previous year: EUR 3.0 million). This included goodwill amortisation of EUR 0.3 million (previous year: EUR 0.4 million).

**Other operating expenses** rose by EUR 0.6 million year-on-year to EUR 19.3 million (previous year: EUR 18.7 million). EUR 3.7 million of this related to the cost of buildings and premises, EUR 5.3 million to administrative expenses and EUR 7.2 million to operating and selling expenses. Other operating expenses amounted to 12.8 % of total output (previous year: 12.5 %).

<sup>1</sup> Destatis press release no. 184, 29 April 2022

<sup>2</sup> Destatis press release no. 182, 28 April 2022

<sup>3</sup> Destatis press release no. 189, 5 May 2022

The **operating result** of EUR –1.2 million (previous year: EUR 5.9 million) declined by EUR 7.1 million year-on-year, primarily due to the disruptions to production that arose at OEM customers in parts of the Automotive division and to project delays.

After deducting other taxes of EUR 0.4 million, **EBIT** for the first quarter of 2022 amounted to EUR –1.5 million (previous year: EUR 5.5 million).

The **financial result** was unchanged at EUR –0.9 million (previous year: EUR –0.9 million). In the first quarter of 2022, interest and similar expenses including commitment fees were incurred in the amount of EUR 1.0 million (previous year: EUR 1.0 million) for the bond issued in 2019, the credit facilities of EUR 40 million provided during the course of the year under the existing syndicated loan, and the EUR 10 million tranche of the KfW entrepreneur loan drawn down in October 2020. These expenses were offset by interest and investment income in the amount of EUR 0.1 million (previous year: EUR 0.1 million).

The **income tax expense** for trade tax and corporation tax amounted to EUR 1.5 million in the first quarter of 2022 (previous year: EUR 1.1 million).

The first quarter of 2022 ended with a **consolidated net loss** of EUR 3.9 million (previous year: consolidated net income of EUR 3.5 million).

## FINANCIAL POSITION

### Capital structure

The Group's **equity base** including non-controlling interests amounted to EUR 126.2 million as at 31 March 2022 (31 December 2021: EUR 131.1 million). The equity ratio as at 31 March 2022 thus fell to 36.5 % (31 December 2021: 38.4 %).

**Total assets** increased by EUR 4.3 million from EUR 341.7 million to EUR 346.0 million, essentially as a result of the increase in working capital as against the end of the previous year.

Including inventories of EUR 76.1 million and trade receivables of EUR 51.4 million and less trade payables of EUR 42.2 million, **working capital** increased to EUR 85.3 million at the end of the period under review (31 December 2021: EUR 78.7 million). This development was primarily due to the increase in inventories from EUR 61.1 million at the prior-year reporting date to EUR 76.1 million in the year under review. The good level of orders on hand in the Intralogistics and Communication divisions meant that work in progress rose by EUR 23.3 million to EUR 138.3 million.

The advance payment rate increased further in the first quarter of 2022 thanks to good and, in some cases, long-standing customer relationships as well as existing guarantee and surety facilities, thereby largely refinancing the higher level of work in progress. At the end of the first quarter of 2022, payments received from customers for projects and orders that had already begun amounted to EUR 123.7 million (31 December 2021: EUR 110.5 million).

Liabilities in connection with **bonds** amounted to EUR 50.0 million as at 31 March 2022 (31 December 2021: EUR 50.0 million). The bond issued in June 2019 by HÖRMANN Industries GmbH has a volume of EUR 50.0 million, a coupon of 4.5 % and a term of five years ending on 6 June 2024.

**Liabilities to banks** amounted to EUR 11.2 million at the end of the first quarter of 2022 (31 December 2021: EUR 9.4 million). In the fourth quarter of 2020, HÖRMANN Industries GmbH drew down a sum of EUR 10.0 million from the KfW entrepreneur loan granted in July 2020. The loan tranches of EUR 30.0 million that had not yet been disbursed from the KfW entrepreneur loan were returned to KfW in the first half of 2021 and the loan agreements were cancelled.

The KfW loan of EUR 10 million that has been drawn down has a term of five years with 16 quarterly repayment instalments beginning in the second year. By the end of the first quarter of 2022, repayments of EUR 1.2 million had been made.

Under the five-year syndicated loan agreement concluded with a bank consortium comprising SaarLB, HeLaBa, Commerzbank AG and Oberbank AG in December 2019, the Group has a credit facility of up to EUR 40.0 million, of which up to EUR 15 million can be used as a current account credit line and up to EUR 25 million as a revolving EURIBOR line. In June 2021, HÖRMANN Industries GmbH requested to extend the term under the existing option for an additional year; this request was approved. This loan had been utilised in the amount of EUR 2.5 million as at 31 March 2022.

Conditions have not deteriorated year-on-year as a result of the company's credit standing and are in line with market developments.

### Liquidity

**Bank balances** amounted to EUR 86.9 million at the reporting date (31 December 2021: EUR 93.7 million).

As at 31 March 2022, there were available credit facilities of EUR 40.0 million (31 December 2021: EUR 42.5 million including the total KfW credit commitment).

HÖRMANN Industries GmbH had **net cash and cash equivalents** of EUR 75.7 million as of the reporting date (31 December 2021: EUR 84.3 million). Net cash and cash equivalents are calculated as cash in hand and bank balances less liabilities to banks.

### Cash flow statement

The cash flow statement is structured in accordance with GAS 21. **Cash flow from operating activities** declined from EUR –0.8 million in the first quarter of the previous year to EUR –5.8 million in the first quarter of 2022, largely as a result of the increase in working capital. **Cash flow from investing activities** decreased from EUR –2.0 million to EUR –2.6 million in the first quarter of 2022. **Cash flow from financing activities** amounted to EUR 1.6 million (previous year: EUR –0.4 million). As at 31 March 2022, an instalment for the KfW loan of EUR 0.6 million was paid.

Group companies were able to meet their payment obligations at all times.

### Net assets

At EUR 2.4 million (previous year: EUR 2.5 million), additions to **tangible** and **intangible assets** were at the same level as depreciation and amortisation of fixed assets (EUR 2.7 million).

Total **inventories** (after deducting payments received on account of orders) rose from EUR 61.1 million as at 31 December 2021 to EUR 76.1 million due to the increased project progress volume and the rises in material prices. The increase in work in progress to EUR 138.3 million (31 December 2021: EUR 114.9 million) was largely offset by the increase in payments received on account of orders to EUR 123.7 million (31 December 2021: EUR 110.5 million). The range of inventories to sales increased to 53.9 days (previous year: 37.4 days). Daily turnover is calculated by dividing the inventories as at 31 March 2022 by the average sales per day in the period under review.

The weaker sales growth in particular meant that **trade receivables** decreased from EUR 57.7 million to EUR 51.4 million, corresponding to 36.4 days (previous year: 35.3 days). Daily turnover is calculated by dividing the receivables as at 31 March 2022 by the average sales per day in the period under review.

**Other assets** increased from EUR 14.4 million to EUR 16.3 million.

**Deferred taxes** are taken over from the single-entity financial statements. Deferred tax assets mainly result from differences between the amounts recognised for provisions in the financial accounts and the tax accounts, and from tax loss carry-forwards that could be used at a future date. As at 31 March 2022, the value of this item was unchanged at EUR 14.7 million (31 December 2021: EUR 14.7 million).

At EUR 21.3 million as at 31 March 2022, **pension provisions** were essentially unchanged as against the level at the end of 2021 (EUR 21.3 million).

**Tax provisions** were virtually unchanged at EUR 3.0 million as at 31 March 2022 after EUR 3.1 million as at the previous year's reporting date.

**Trade payables** increased from EUR 40.1 million to EUR 42.2 million as at the reporting date. The utilisation of supplier credits for the cost of materials and other operating expenses increased from an average of 34.1 days to 35.4 days. The average duration of credit utilisation is calculated by dividing the trade payables as at 31 March 2022 by the sum of the average cost of materials and the average other operating expenses per day in the period under review.



# Outlook

## GENERAL ECONOMIC CONDITIONS

Since the Russian invasion of Ukraine on 24 February 2022, the global and, in particular, European economy has been impacted by the consequences of the war. The International Monetary Fund (IMF) therefore significantly revised its expectations in the April update to its World Economic Outlook as compared to January 2022. For the current 2022 financial year, the experts now anticipate growth in the global economy of 3.6 %, which is 0.8 percentage points lower than in the January estimate<sup>4</sup>. The IMF has specifically lowered its expectations for the eurozone and for Germany. For 2022 the IMF now anticipates growth of 2.8 % for the eurozone and 2.1 % for Germany, which is 1.1 and 1.7 percentage points lower respectively than in January 2022. In the coming year 2023, Germany is expected to post a slightly higher increase in GDP of 2.7 %.

The higher inflation due to sharp increases in raw material and energy prices is primarily impacting the economic development in Europe and particularly in Germany. The latest economic forecast by the German Council of Economic Experts anticipates inflation rates of 6.2 % and 2.9 % (Harmonised Index of Consumer Prices) for the eurozone and 6.1 % and 3.4 % (Consumer Price Index) for Germany in 2022 and 2023<sup>5</sup>. The considerable dependence on Russian energy supplies poses a significant risk here. On top of this there are supply chain disruptions that are also impacting the German automotive and commercial vehicle industry and likewise have a negative effect on the business activities of HÖRMANN Industries GmbH. In addition, a study by Roland Berger suggests that the semiconductor shortage that already impaired the production of numerous OEMs in the previous year will continue into 2023 and probably beyond<sup>6</sup>.

In addition, restrictions may still arise from the effects of the spread of the COVID-19 pandemic. At the time this report was prepared, there were massive lockdowns again in several major Chinese cities, including in the capital Beijing and in Shanghai, where the port – the world's biggest container transshipment centre – was also affected. Further supply chain problems are expected and are likely to result in disruption to production processes in Germany. Forecasts by experts are generally subject to a high degree of uncertainty regarding the remaining duration and severity of the pandemic, particularly with a view to potential new variants.

This dynamically developing situation means it was difficult to reliably forecast the economic consequences at the time this consolidated interim report was published, since they cannot yet be quantified with any real degree of credibility.

## FORECAST FOR HÖRMANN INDUSTRIES GMBH

Economic, geopolitical and industry developments will continue to influence HÖRMANN Industries GmbH's operating and financial performance in the 2022 financial year. The Group's forecasts for its expected business performance are based on certain assumptions regarding the development of the economy in Germany, the eurozone and specific industries, and on an optimistic assessment of the further course of the COVID-19 pandemic and the war in Ukraine and their consequences.

Given the considerable uncertainty at the time of preparing this report concerning the further course of the COVID-19 pandemic and, in particular, the current events in Ukraine and the resulting supply bottlenecks and rising material and energy prices, forecasts are subject to an extremely high degree of uncertainty at present. The economic and financial consequences of these simultaneous crises will have an impact on the sales and earnings performance of HÖRMANN Industries GmbH in 2022.



The forecast is subject to the assumption that production in the Automotive division, which started up again in May 2022, will stabilise by the middle of the year and the overall economic situation will not deteriorate further over the course of 2022. However, any negative macroeconomic developments beyond this, such as further interruptions to production, a sustained shortfall in the energy supply or a recession as a result of the Ukraine war, could mean that the actual results for the 2022 financial year differ from the forecast values.

All in all, the biggest challenges for HÖRMANN Industries GmbH in 2022 therefore include the COVID-19 restrictions and, in particular, the sustained supply bottlenecks on the world markets and rising procurement and energy prices. Private and public clients could also become less willing to make investments in response to the growing uncertainty and pressure on budgets. Imponderables also result from the fragile global political and economic situation. The Russian war of aggression in Ukraine involves substantial risks for the economy in Germany and worldwide. The further development of the war makes it difficult to predict the future development of the world economy, the industries in which the company operates and the development of HÖRMANN Industries GmbH.

At Group level, based on an assessment of the current order situation and business development in its individual divisions, HÖRMANN Industries GmbH is still forecasting total sales in 2022 of between EUR 585 million and EUR 610 million (2021: EUR 589.8 million). In operating business, the target is a positive result before interest and taxes (operating EBIT) of between EUR 22 million and EUR 25 million (2021: EUR 30 million).

HÖRMANN Industries GmbH notes that its actual results may differ from these forecasts. Please refer to the consolidated financial statements for the 2021 financial year for the report on risks and opportunities.

Kirchseeon, 27 May 2022

**HÖRMANN Industries GmbH**

**The Management**

A handwritten signature in black ink, appearing to read 'M. Radke'.

Dr.-Ing. Michael Radke

A handwritten signature in black ink, appearing to read 'J. Schmid-Davis'.

Johann Schmid-Davis

<sup>4</sup> IMF World Economic Outlook Update, April 2022

<sup>5</sup> German Council of Economic Experts, updated economic forecast, 30 March 2022

<sup>6</sup> Roland Berger press release, 16 December 2021

## Financial Data

- 20 Consolidated Balance Sheet – Assets
- 21 Consolidated Balance Sheet – Equity and Liabilities
- 22 Consolidated Income Statement
- 23 Consolidated Cash Flow Statement
- 24 Consolidated Statement of Changes in Fixed Assets
- 26 Consolidated Statement of Equity Changes

# Consolidated Balance Sheet

ASSETS (EUR thousand)	31 Mar 2022	31 Dec 2021
<b>A. FIXED ASSETS</b>	<b>84,822</b>	<b>85,503</b>
<b>I. Intangible fixed assets</b>	<b>12,781</b>	<b>12,758</b>
1. Purchased concessions, industrial property rights and similar rights and assets and licenses in such rights and assets	2,244	2,172
2. Goodwill	10,040	9,945
3. Advance payments made on intangible assets	497	641
<b>II. Tangible assets</b>	<b>47,137</b>	<b>47,837</b>
1. Land, leasehold rights and buildings	9,527	9,637
2. Technical equipment and machinery	21,383	22,197
3. Other equipment, factory and office equipment	10,093	10,248
4. Advance payments and assets under construction	6,134	5,755
<b>III. Long-term financial assets</b>	<b>24,904</b>	<b>24,908</b>
1. Equity investments	304	304
2. Securities held as fixed assets	406	406
3. Other loans	24,194	24,198
<b>B. CURRENT ASSETS</b>	<b>242,995</b>	<b>238,632</b>
<b>I. Inventories</b>	<b>76,063</b>	<b>61,102</b>
1. Raw materials, consumables and supplies	33,409	30,615
2. Work in progress	138,278	114,940
3. Finished goods and merchandise	15,092	13,412
4. Advance payments	12,972	12,617
5. Payments received on account of orders	-123,688	-110,482
<b>II. Receivables and other assets</b>	<b>79,988</b>	<b>83,827</b>
1. Trade receivables	51,436	57,711
2. Receivables from affiliated companies	12,262	11,734
4. Other assets	16,290	14,382
<b>III. Cash-in-hand and bank balances</b>	<b>86,944</b>	<b>93,703</b>
<b>C. PREPAID EXPENSES</b>	<b>3,314</b>	<b>2,805</b>
<b>D. DEFERRED TAX ASSETS</b>	<b>14,686</b>	<b>14,680</b>
<b>E. EXCESS OF PLAN ASSETS OVER PENSION LIABILITIES</b>	<b>156</b>	<b>64</b>
Total assets	345,973	341,684

# Consolidated Balance Sheet

EQUITY AND LIABILITIES (EUR thousand)	31 Mar 2022	31 Dec 2021
<b>A. EQUITY</b>	<b>126,219</b>	<b>131,055</b>
<b>I. Subscribed capital</b>	<b>200</b>	<b>200</b>
<b>II. Capital reserve</b>	<b>43,422</b>	<b>43,422</b>
<b>III. Consolidated balance sheet profit</b>	<b>63,673</b>	<b>67,836</b>
<b>IV. Non-controlling interests</b>	<b>18,935</b>	<b>19,607</b>
<b>V. Currency translation differences</b>	<b>-11</b>	<b>-10</b>
<b>B. PROVISIONS</b>	<b>101,018</b>	<b>94,175</b>
1. Pension provisions and similar obligations	21,251	21,245
2. Tax provisions	2,954	3,050
3. Other provisions	76,813	69,880
<b>C. LIABILITIES</b>	<b>118,005</b>	<b>116,067</b>
1. Bonds	50,000	50,000
2. Liabilities to banks	11,220	9,375
3. Trade payables	42,187	40,068
4. Liabilities to affiliated companies	4,112	4,255
5. Other liabilities	10,486	12,369
<b>D. DEFERRED INCOME</b>	<b>731</b>	<b>387</b>
Total equity and liabilities	345,973	341,684



# Consolidated Income Statement

(EUR thousand)	1 Jan – 31 Mar 2022	1 Jan – 31 Mar 2021
1. Sales	127,026	138,182
2. Increase in finished goods and work in progress	23,584	11,429
3. Other internally produced and capitalised assets	0	121
4. Other operating income	2,249	1,405
5. Cost of materials		
a) Expenses for raw materials, consumables and supplies and purchased goods	71,381	65,449
b) Cost of purchased services	16,676	88,057
<b>Gross profit</b>	<b>64,801</b>	<b>69,714</b>
6. Personnel expenses		
a) Wages and salaries	36,765	35,412
b) Social contributions and expenses for pensions and social welfare	7,222	43,987
7. Depreciation and amortisation on tangible and intangible assets	2,672	2,953
8. Other operating expenses	19,304	18,724
	<b>-1,162</b>	<b>5,851</b>
9. Other interest and similar income	108	83
10. Interest and similar expenses	976	977
11. Taxes on income	1,490	1,098
12. Deferred taxes	-5	-5
<b>13. Earnings after taxes</b>	<b>-3,515</b>	<b>3,864</b>
14. Other taxes	359	380
<b>15. Consolidated net loss (income)</b>	<b>-3,874</b>	<b>3,484</b>
16. Non-controlling interests	-289	-1,035
<b>17. Consolidated loss (profit)</b>	<b>-4,163</b>	<b>2,449</b>
18. Profit carried forward from the previous year	67,836	62,112
<b>19. Consolidated balance sheet profit</b>	<b>63,673</b>	<b>64,561</b>

# Consolidated Cash Flow Statement

(EUR thousand)	1 Jan – 31 Mar 2022	1 Jan – 31 Mar 2021
Consolidated income (Consolidated net income/loss including income/loss attributable to non-controlling interests)	-3,874	3,484
+/- (+) Depreciation/(-) write-ups on fixed assets	2,672	2,953
+/- (+) Increase/(-) Decrease in provisions	7,131	7,529
+/- Other non-cash expenses/income	-1,068	-602
+/- (+) Decrease/(-) Increase in inventories, trade receivables and other assets that are not attributable to investing or financing activities	-11,689	-13,769
+/- (-) Decrease/(+) Increase in liabilities from trade payables and other liabilities that are not attributable to investing or financing activities	437	-1,253
+/- (-) Gain/(+) Loss from disposal of fixed assets	-347	-23
+/- Interest expenses/income	868	894
+/- Income tax expenses/income	1,486	1,094
- Income tax payments	-1,415	-1,088
<b>= Cash flow from operating activities</b>	<b>-5,799</b>	<b>-781</b>
+ Proceeds from the disposal of intangible assets	25	0
- Payments for investments in intangible assets	-511	-187
+ Proceeds from sales of property, plant and equipment	638	528
- Payments for investments in property, plant and equipment	-1,778	-2,318
+ Proceeds from the disposal of non-current financial assets	4	4
- Payments for additions to the consolidated group	-961	-25
+ Interests received	7	7
<b>= Cash flow from investing activities</b>	<b>-2,576</b>	<b>-1,991</b>
+ Proceeds from (financial) loans	2,470	0
- Payments for redemption of (financial) loans	-625	-11
- Interests paid	-227	-354
<b>= Cash flow from financing activities</b>	<b>1,618</b>	<b>-365</b>
<b>Decrease of cash flow</b>	<b>-6,757</b>	<b>-3,137</b>
<b>Liquid funds at the start of the period</b>	<b>93,703</b>	<b>83,027</b>
+/- Exchange rate and valuation-related changes in liquid funds	-2	0
<b>Liquid funds at the end of the period</b>	<b>86,944</b>	<b>79,890</b>

# Consolidated Statement of Changes in Fixed Assets

(EUR thousand)

	ACQUISITION OR CONSTRUCTION COSTS					DEPRECIATION				BOOK VALUES	
	As of 1 Jan 2022	Addition	Disposal	Transfers	As of 31 Mar 2022	As of 1 Jan 2022	Addition	Disposal	As of 31 Mar 2022	Book value 31 Mar 2022	Book value 31 Dec 2021
<b>A. FIXED ASSETS</b>											
<b>I. Intangible Assets</b>											
1. Purchased concessions, industrial property rights and similar rights and assets and licenses in such rights and assets	5,628	157	-25	150	5,910	3,457	209	0	3,666	2,244	2,172
2. Goodwill	37,423	347	0	0	37,770	27,477	252	0	27,729	10,040	9,945
3. Advance payments	641	5	0	-150	497	0	0	0	0	497	641
<b>Total intangible assets</b>	<b>43,692</b>	<b>510</b>	<b>-25</b>	<b>0</b>	<b>44,177</b>	<b>30,935</b>	<b>462</b>	<b>0</b>	<b>31,396</b>	<b>12,781</b>	<b>12,758</b>
<b>II. Tangible assets</b>											
1. Land, leasehold rights and buildings	12,109	79	0	37	12,225	2,472	226	0	2,698	9,527	9,637
2. Technical equipment and machinery	34,773	500	-588	184	34,868	12,576	1,199	-290	13,485	21,383	22,197
3. Other equipment, factory and office equipment	16,362	780	-158	-158	16,826	6,114	786	-167	6,733	10,093	10,248
4. Advance payments and assets under construction	5,949	493	0	-137	6,304	194	0	-23	171	6,134	5,755
<b>Total tangible assets</b>	<b>69,193</b>	<b>1,852</b>	<b>-747</b>	<b>-74</b>	<b>70,224</b>	<b>21,355</b>	<b>2,211</b>	<b>-479</b>	<b>23,088</b>	<b>47,137</b>	<b>47,837</b>
<b>III. Long-term financial assets</b>											
1. Equity investments	6,130	0	0	0	6,130	5,825	0	0	5,825	304	304
2. Securities held as fixed assets	990	0	0	0	990	585	0	0	585	406	406
3. Other loans	24,198	0	-4	0	24,194	0	0	0	0	24,194	24,198
<b>Total long-term financial assets</b>	<b>31,318</b>	<b>0</b>	<b>-4</b>	<b>0</b>	<b>31,314</b>	<b>6,410</b>	<b>0</b>	<b>0</b>	<b>6,410</b>	<b>24,904</b>	<b>24,908</b>
<b>Total Fixed Assets</b>	<b>144,204</b>	<b>2,361</b>	<b>-775</b>	<b>-74</b>	<b>145,715</b>	<b>58,699</b>	<b>2,672</b>	<b>-479</b>	<b>60,893</b>	<b>84,822</b>	<b>85,503</b>

# Consolidated Statement of Equity Changes

(EUR thousand)

	EQUITY OF THE PARENT COMPANY					NON- CONTROLLING INTERESTS	EQUITY
	Subscribed capital	Capital reserve	Equity difference from currency translation	Consolidated balance sheet profit	Total	Profit / loss attributable to non-controlling interests	Total
Balance at 1 Jan 2021	200	43,422		62,112	105,734	15,015	120,749
Consolidated net profit				8,218	8,218	6,217	14,435
Currency translation			-10		-10		-10
Distributions				-2,500	-2,500	-1,625	-4,126
Other changes				6	6		6
Balance at 31 Dec 2021	200	43,422	-10	67,836	111,448	19,607	131,055
Balance at 1 Jan 2022	200	43,422		67,836	111,448	19,607	131,055
Consolidated net loss				-4,163	-4,163	289	-3,874
Currency translation			-1		-1		-1
Other changes						-961	-961
Balance at 31 Mar 2022	200	43,422	-11	63,673	107,284	18,935	126,219

## Imprint

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