

PRESS RELEASE

Annual Results

Deufol SE: Results for the business year 2022

- Sales € 271.6 M (prior year € 243.0 M)
- EBITDA € 34.0 M (prior year € 27.5 M)
- EBIT € 13.2 M (prior year € 6.3 M)
- EAT € 7.0 M (prior year € 1.9 M)
- Operating Cashflow € 35.1 M (prior year € 12.5 M)

Hofheim am Taunus, 28 April 2023

Sales increase by 12 %

The Deufol Group is pleased to announce a successful fiscal year 2022 with sales growth of 11.8% to € 271.6 million (previous year € 243.0 million). Taking into account the logistics business in Italy, which was sold in 2021, results even display an increase in sales of 17.0%. The business model of the entire Deufol Group was a guarantor of success despite volatile market conditions and a challenging economic and political environment. The unique selling point is the focus on mapping the customer value chain via a broad service portfolio as part of our end-2-end solutions. This enabled us to further consolidate our market position in our core markets and expand our business with existing and new customers. Further positive effects on earnings stem from the recovery in industrial production as a result of the flattening out of the Corona pandemic, as well as from the so far less pronounced economic impact of the Ukraine war on our customers' business activities.

We have therefore clearly exceeded expectations of sales in a corridor between € 220 million and € 250 million as published in the 2021 Annual Report.

Significant increase of the operating result

The growth in sales was accompanied by an increase in earnings before interest, taxes, depreciation, amortization and impairment losses (EBITDA) to € 34.0 million, a growth of 23.6% compared with the previous year (€ 27.5 million). The EBITDA margin was 12.5% (previous year 11.2%). Thanks to extensive measures aiming to improve the results and the consistent implementation of those, the operating result (EBIT) more than doubled to € 13.2 million, despite increased costs in various areas throughout the year. The forecasted range in EBIT of € 7.0 million to € 11.0 million was thus significantly exceeded. The EBIT margin in the fiscal year of 2022 was 4.9% (previous year 2.6%). Depreciation and amortization in 2022 remained virtually constant at € 20.8 million (previous year € 21.0 million).

Capital expenditures at previous year's level - operating cash flow significantly improved

At € 6.4 million, the volume of capital expenditure in the past financial year was in line with the previous year's figure. Investments were mainly focused on property, plant and equipment, and in particular on land and buildings.

The Group's financial position improved significantly. Net financial liabilities were decreased by € 9.7 million to € 71.0 million at the end of the reporting year and the balance of liabilities to banks less bank balances was reduced to € 36.8 million (previous year: € 50.1 million).

The improved financial position enabled the Deufol Group to increase the necessary headroom for investing in growth initiatives. At € 35.1 million, operating cash flow in the reporting period also significantly exceeded the previous year's level (€ 12.5 million). This is attributable among other things to the increase in net profit for the year and the largely constant working capital (reduction of € 0.2 million), which had risen substantially by € 15.6 million in the previous year due to the drastic increase in raw material prices.

Proposal for the appropriation of profits

The Managing Directors and the Board of Directors propose that the retained earnings of Deufol SE in the amount of € 13.2 million are to be carried forward.

Annual General Meeting

This year's Annual General Meeting will be held for the first time after the Corona pandemic as an attendance event on June 29, 2023 at 10:00 a.m. (CEST) in the Stadthalle in Hofheim, Chinonplatz 4, 1st floor (Malersaal).

Key Data of 2022

Figures in € M	2022	2021	Change (%)
Sales	271.6	243.0	11.8
EBITDA	34.0	27.5	23.6
EBIT	13.2	6.3	109.5
EBT	10.4	2.9	258.6
EAT	7.0	1.9	268.4
Thereof Non-Controlling Interests	0.5	0.7	-16.7
Thereof Shareholders Deufol SE	6.5	1.3	400.0
Earnings per Share (€)	0.150	0.030	400.0
Operating Cashflow	35.1	12.5	180.8
Investments in Tangible Assets (without Leasing)	5.5	5.5	-0.0
Net Debt	71.0	80.6	-11.9
Equity Ratio (%)	46.0	44.5	3.3
Employees (Average)	2,079	2,021	2.9

Outlook

While the Corona pandemic is subsiding and its further direct impact is likely to be limited, the global economic situation has deteriorated significantly. This is primarily due to the Russian war on Ukraine, the associated sanctions and the disruptions on the energy markets. This is reflected in enduringly disrupted supply chains, significantly higher inflation, substantially higher interest rates and continuing uncertainty on the markets. Combined with this, there is a high volatility of prices and material availability as well as fluctuating demand for industrial services.

Despite these challenges, the Deufol Group has taken precautions to be best set up for the future, including strengthening its liquidity. Thanks to the strategy adopted, the organizational cornerstones

created, the projects initiated and in some cases already fully implemented, and the positive effects of the measures already introduced, the Deufol Group is well positioned to grow steadily in the medium and long run and to market its services successfully. The development of business also sets up a basis for resuming dividend payments in the upcoming fiscal years and implementing a sustainable dividend policy.

Although global economic and political developments will continue to lead to a high degree of uncertainty also this year, the Deufol Group expects sales volumes to remain good and fundamentally increase in 2023. In this situation the company is targeting sales in a range of € 270 million to € 295 million and expects EBIT from operations between € 10 million and € 15 million.

The Annual Financial Report is available online at: <http://www.deufol.com>

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