

PRESS RELEASE

Annual Results 2023

Deufol SE: Solid organic growth and profitable global expansion continues

- Sales € 294.0 M (prior year € 271.6 M)
- EBITDA € 46.1 M (prior year € 34.0 M)
- EBIT €16.6 M (prior year € 13.2 M)
- Net income € 11.3 M (prior year € 10.4 M)
- EAT € 7.2 M (prior year € 7.0 M)
- Operating Cashflow € 35.5 M (prior year € 35.1 M)

Hofheim / Taunus, 29 April 2024

Sales grow by over 8%

The Deufol Group is pleased to announce a successful fiscal year 2023 with impressive sales growth of 8.2% to € 294.0 million (previous year: € 271.6 million). We have thus achieved the upper end of the sales forecast published in the 2022 Annual Report, which was in a corridor between € 270 million and € 295 million. Thanks to our go-to-market strategy, we were able to expand our market presence and strengthen customer loyalty. The expansion of the functionalities of our digital supply chain management software (DSCS) has further strengthened our position as a leading end-2-end logistics provider in the project and heavy goods industry. New locations in Poland and the USA as well as new joint ventures in Southeast Asia that expand our business model underline our global expansion.

Operating result exceeds expectations

The growth in sales was accompanied by an increase in earnings before interest, taxes, depreciation and amortization (EBITDA) to € 46.1 million, an increase of 35.6% compared to the previous year (€ 34.0 million). The conclusion of a settlement agreement with former managers resulted in income of € 10.3 million after deduction of the corresponding expenses, which contributed to EBITDA. The EBITDA margin amounted to 14.8% (previous year: 12.3%). Despite increased costs in various areas over the course of the year, EBIT increased to € 16.6 million (previous year € 13.2 million) thanks to comprehensive measures to improve earnings and their consistent implementation. This exceeded the forecast range of between € 10.0 million and € 15.0 million. The EBIT margin increased further and amounted to 5.3% in the 2023 financial year (previous year: 4.8%). Depreciation and amortization increased from € 20.8 million in the previous year to € 29.5 million in the reporting year. This is mainly due to an impairment loss of € 8.1 million on goodwill as part of more conservative planning assumptions for Germany, which does not result in a cash outflow.

Capital expenditures and operating cash flow at solid previous year's level

At € 5.8 million, the capital expenditures in the past financial year were slightly below the previous year's figure (€ 6.4 million). Investments focused mainly on property, plant and equipment and in particular on land and buildings as well as plant, operating and office equipment. Net financial liabilities increased slightly by € 1.5 million to € 72.5 million at the end of the reporting year. While the balance of liabilities to banks and sight deposits with banks was significantly reduced from € 36.8 million in the previous year to € 27.7 million, other financial liabilities increased from € 34.3 million to € 44.9 million, primarily due to

the recognition of rental and leasing liabilities. On the one hand, exposed locations were secured in the long term and, on the other, the Deufol Group was able to increase the necessary scope for investments in growth initiatives thanks to the improved liquidity position in conjunction with the long-term securing of Group financing.

At € 35.5 million, operating cash flow in the reporting period was slightly higher than the previous year's figure (€ 35.1 million). The above-mentioned settlement agreement had a net effect of € 3.0 million on cash inflows in the reporting year. In working capital, the positive effects from the reduction in inventories in the amount of € 1.8 million (previous year: increase of € -0.2 million) more than compensated for the liquidity burden from the increase in trade receivables with a simultaneous decrease in trade payables of € -1.1 million (previous year: positive effect of € 0.5 million).

Proposal for the appropriation of profits

The Managing Directors and the Board of Directors propose that net retained earnings of Deufol SE for fiscal year 2023 in the amount of € 16.4 million be used to distribute a dividend of € 0.06 and an additional special dividend of € 0.04 per dividend-bearing share, i.e. a total of € 0.10 per dividend-bearing share; this corresponds to a total appropriation of profits of € 4.3 million. The remaining amount of € 12.1 million is to be carried forward.

Annual General Meeting

This year's Annual General Meeting will be held as an attendance event on 27 June 2024 at 10:00 a.m. (CEST) in the Stadthalle in Hofheim / Taunus, Chinonplatz 4, 1st floor (Malersaal).

Key Data 2023

Figures in € M	2023	2022	Change (%)
Sales	294.0	271.6	8.2
EBITDA	46.1	34.0	35.6
EBIT	16.6	13.2	25.8
EBT	11.3	10.4	8.7
EAT	7.2	7.0	2.9
Thereof Non-Controlling Interests	0.6	0.5	20.0
Thereof Shareholders Deufol SE	6.5	6.5	0.0
Earnings per share (€)	0.153	0.151	1.3
Operating Cashflow	35.5	35.1	1.1
Investments in Tangible Assets (without Leasing)	4.6	5.5	-15.7
Net Debt	72.5	71.0	2.1
Liabilities to banks minus sight deposits	27.7	36.8	-24.7
Equity Ratio (%)	47.4	46.0	3.0
Employees (Average)	2,203	2,079	6.0

Outlook

Uncertainties in Deufol's market environment are also expected to persist in fiscal year 2024. The Deufol Group faces economic challenges, a shortage of skilled labor, rising personnel costs and persistently high interest rates. Contrary to the trend towards stagnating or even falling market prices, the prices for wood and wood-based materials in industrial goods packaging are currently moving upwards again.

To counteract this development, Deufol can draw on a variety of measures such as a network of strategic suppliers, rolling price and quantity agreements and Group-wide purchasing, which have already proven effective in times of highly volatile prices and are now firmly established process components in the procurement of goods.

After the Deufol Group was once again able to grow its business beyond expectations at the beginning of the year in a complex market environment in 2023, the Group is continuing to strive for geographical expansion. Most recently, new locations were opened in Charleston (USA) and Opole (Poland) and a joint venture company for project logistics with a focus on the Asian region was founded. In conjunction with the established inland locations and the increasing range of services offered as part of the hub system, supplemented by the ongoing development of innovative and digital solutions to increase efficiency and sustainability in our customers' value chains, we expect to steadily expand our market share.

Despite the challenges, the Deufol Group therefore believes it is well positioned for 2024 and anticipates continued successful corporate development, in particular continued sales and earnings growth. For 2024, sales are expected to be in a corridor of around € 295 million to € 320 million and EBIT from operating activities between € 12 million and € 18 million.

The Annual Report is available online at: <https://www.deufol.com/en/investor-relation/financial-publications/>

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