

INDUS  
HOLDING AG

—  
INTERIM  
REPORT Q1  
—

2023



# Highlights

in EUR million	Q1 2023	Q1 2022
Sales	450.8	416.5
EBITDA	66.1	61.4
EBIT	44.8	41.4
EBIT margin (in %)	9.9	9.9
Group net income for the year (earnings after taxes)	16.0	4.6
Earnings per share from continuing operations (in EUR)	0.93	0.94
Operating cash flow	1.5	-17.8
Cash flow from operating activities	-1.0	-20.1
Cash flow from investing activities	-2.9	2.9
Cash flow from financing activities	-1.2	28.0
Free cash flow	7.5	-14.9
	March 31, 2023	December 31, 2022
Total assets	1,920.6	1,889.9
Equity	699.1	685.2
Equity ratio (in %)	36.4	36.3
Working capital	536.8	496.7
Net financial liabilities	610.5	593.5
Cash and cash equivalents	116.6	127.8
Portfolio companies (number as of reporting date)	45	45

# Contents

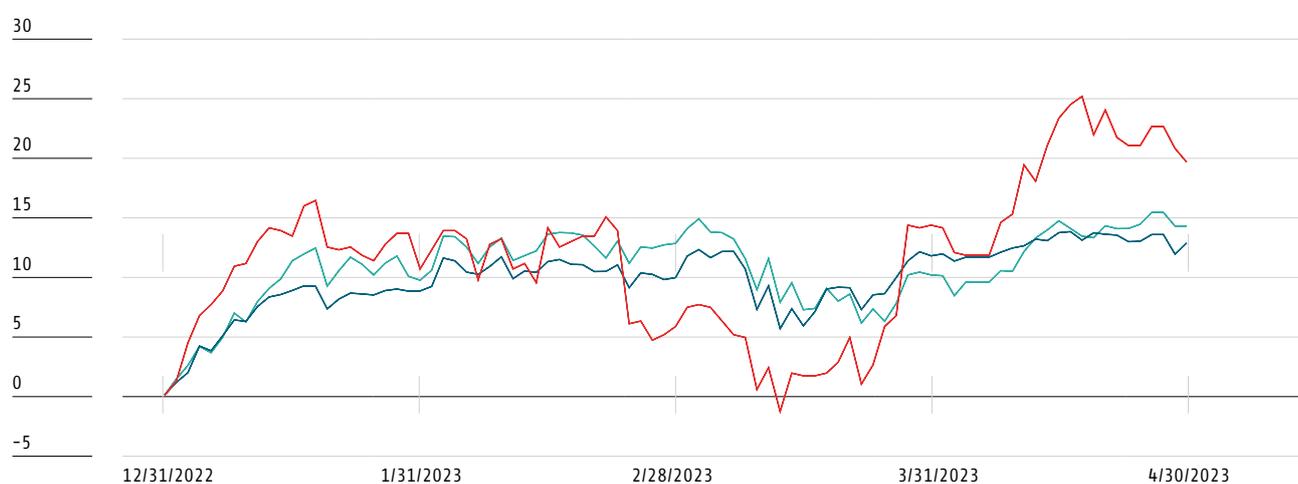
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**After repositioning: INDUS significantly increases sales and earnings in the first quarter of 2023**

- Sales and EBIT up 8.2%
- Forecast confirmed

## SHARE PRICE PERFORMANCE OF THE INDUS SHARE JANUARY TO APRIL 2023 EXCL. DIVIDENDS

(in %)



Source: Bloomberg

— INDUS Holding AG — DAX Price Index — SDAX Price Index

# Letter to the Shareholders

## Dear shareholders,

today we present our statements for the first quarter of 2023 – a quarter that has proven the strength of our portfolio of continuing operations. Our portfolio companies increased their sales by more than 8% to EUR 450 million. Operating income (EBIT) rose in line with sales to EUR 44.8 million. These numbers speak for themselves.

The Engineering segment is performing well – with the highest increase in sales of the three segments, a good order backlog, and an EBIT margin at the upper end of the target range. As expected, sales in the Infrastructure segment only increased slightly due to the subdued conditions in the construction sector. Some portfolio companies are feeling the effect of the current reluctance to invest in the residential construction sector. The backlog for building renovations and infrastructure projects remains high, however. The majority of companies in this segment are profiting from good order volumes in the field of energy renovations. The first quarter also went well for the Materials segment, with sales and the EBIT margin growing significantly in comparison with the previous year. Following considerable price increases at the beginning of 2022, the companies have since managed to pass on these costs.

We are currently focusing our efforts on the sale of SELZER and SCHÄFER. Their losses are reported under discontinued operations. They are still having a negative impact on our earnings after taxes, which came to EUR 16 million in total. We intend to sell both companies by the end of 2023, but we are confident that we will be able to manage this much earlier.

Our portfolio companies made a good start to the year 2023. However, the macroeconomic environment remains challenging and, despite the most recent upturns,

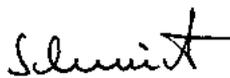
the economy lacks momentum. We therefore do not expect the Materials segment's good EBIT margin to remain as high over the course of the year due to the price developments of individual raw materials. These uncertainties have already been taken into account in our guidance for 2023. The most important factor for our portfolio companies will remain a rapid and determined reaction to any changes.

At the very beginning of the year we were able to boost our portfolio with an acquisition. Our subsidiary BETOMAX in the Infrastructure segment acquired QUICK as a complementary addition. QUICK complements BETOMAX's product range with its high level of expertise in bridge building and checks the box for the future field of infrastructure buildings. As always, we are working intensively on making further acquisitions.

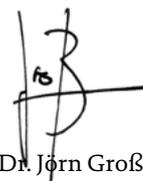
In just a few days, we will be hosting our first in-person Annual Shareholders' Meeting in three years, after holding virtual meetings during the pandemic. We are looking forward to speaking with you directly at the Koelnmesse on May 17, 2023 – it's much more INDUS' style.

Until then, thank you for your interest in our company.  
Best regards,

Bergisch Gladbach, May 2023



Dr. Johannes Schmidt



Dr. Jörn Großmann



Axel Meyer



Rudolf Weichert

# Interim Management Report

## Performance of the INDUS Group in the First Three Months of 2023

### CONSOLIDATED STATEMENT OF INCOME

(in EUR million)

	Q1 2023	Q1 2022	Difference	
			absolute	in %
<b>Sales</b>	<b>450.8</b>	<b>416.5</b>	<b>34.3</b>	<b>8.2</b>
Other operating income	3.2	2.7	0.5	18.5
Own work capitalized	1.1	0.8	0.3	37.5
Change in inventories	18.7	25.0	-6.3	-25.2
<b>Overall performance</b>	<b>473.8</b>	<b>445.0</b>	<b>28.8</b>	<b>6.5</b>
Cost of materials	-221.2	-211.9	-9.3	-4.4
Personnel expenses	-129.3	-119.8	-9.5	-7.9
Other operating expenses	-57.2	-51.9	-5.3	-10.2
<b>EBITDA</b>	<b>66.1</b>	<b>61.4</b>	<b>4.7</b>	<b>7.7</b>
Depreciation/amortization	-21.3	-20.0	-1.3	-6.5
<b>Operating income (EBIT)</b>	<b>44.8</b>	<b>41.4</b>	<b>3.4</b>	<b>8.2</b>
Financial income	-7.9	-5.4	-2.5	-46.3
<b>Earnings before taxes (EBT)</b>	<b>36.9</b>	<b>36.0</b>	<b>0.9</b>	<b>2.5</b>
Income taxes	-12.0	-10.6	-1.4	-13.2
Earnings from discontinued operations	-8.9	-20.8	11.9	57.2
<b>Earnings after taxes</b>	<b>16.0</b>	<b>4.6</b>	<b>11.4</b>	<b>&gt;100</b>
of which interests attributable to non-controlling shareholders	0.0	0.1	-0.1	-100.0
of which interests attributable to INDUS shareholders	16.0	4.5	11.5	>100
<b>Earnings per share from continuing operations in EUR</b>	<b>0.93</b>	<b>0.94</b>	<b>-0.01</b>	<b>-1.1</b>
<b>Earnings per share from discontinued operations in EUR</b>	<b>-0.33</b>	<b>-0.77</b>	<b>0.44</b>	<b>57.1</b>

The first quarter went well for the INDUS Group. Continuing operations generated a marked increase in sales and income. Income from discontinued operations was again negative, but the deconsolidation of SMA in the fourth quarter of 2022 meant income improved by approximately EUR 12 million against the same period of the previous year.

### Clear Increase in Sales Year-Over-Year

Sales in the INDUS portfolio companies rose 8.2% in the first three months of 2023 against the same period of the previous year. In the reporting period, portfolio companies generated sales of EUR 450.8 million. This equates to

an increase of EUR 34.3 million in comparison with the previous year (EUR 416.5 million).

The highest increase in sales of 18.0% was achieved in the Engineering segment. This mainly due to organic growth (+12%). The acquisition of HEIBER + SCHRÖDER and HELD in the past financial year added 6.0% to the growth in sales in this segment. The Infrastructure and Materials segments reported increases in sales of 1.4% and 6.6%. Overall, the INDUS Group's organic sales growth amounted to 6.5% and inorganic sales growth to 1.7%.

The overall performance amounted to EUR 473.8 million, compared with EUR 445.0 million in the same period of the previous year. The cost of materials increased disproportionately by 4.4% from EUR 211.9 million to EUR 221.2 million. The cost-of-materials ratio thus declined from 50.9% to 49.1%. Personnel expenses rose by EUR 9.5 million (7.9%) from EUR 119.8 million to EUR 129.3 million. The personnel expense ratio remained on a par with the previous year at 28.7% (28.8%). Other operating expenses climbed by EUR 5.3 million from EUR 51.9 million to EUR 57.2 million. This resulted in EBITDA of EUR 66.1 million (previous year: EUR 61.4 million).

Depreciation/amortization amounted to EUR 21.3 million, EUR 1.3 million higher than in the first quarter of 2022. The increase in depreciation/amortization was primarily due to depreciation on fair value adjustments (purchase price allocation) on the fixed assets of the portfolio companies HEIBER + SCHRÖDER and HELD, acquired in the previous year.

## Operating Income Grew in Line with Sales

Operating income (EBIT) totaled EUR 44.8 million, following EUR 41.4 million in the same period of the previous year. The 8.2% increase in comparison with the same period of the previous year is in proportion with the increase in sales. The EBIT margin was therefore 9.9% in the reporting period and in the same period of the previous year.

Financial income amounted to EUR -7.9 million, compared with EUR -5.4 million the previous year. Financial income includes net interest, income from shares accounted for using the equity method and other financial income. The valuations of interests attributable to non-controlling shareholders are reported within other financial income. The decrease primarily concerns the increase in the effect on income from the subsequent valuation of the contingent purchase price liabilities (call/put options).

At EUR 36.9 million, earnings before taxes (EBT) in the first three months of the financial year was slightly higher than the previous year's figure (EUR 36.0 million). Income tax expenses rose slightly to EUR 12.0 million as against EUR 10.6 million in the previous year. This pushed up the tax ratio from 29.4% in the same period of the previous year to 32.5%.

## Discontinued Operations Show Clear Improvement in Income

The portfolio companies SELZER and SCHÄFER, and SMA, which was deconsolidated in the previous year, are discontinued operations pursuant to IFRS 5. Income from discontinued operations amounted to EUR -8.9 million in the first quarter of 2023, following EUR -20.8 million in the same period of the previous year. The reason for this clear improvement in income was the deconsolidation of SMA in the fourth quarter of 2022. An intense search for buyers for SCHÄFER and SELZER is underway. There are currently several interested parties for both portfolio companies, and the Board of Management continues to assume that the portfolio companies will be sold before the end of 2023.

## Earnings per Share from Continuing Operations on par with Previous Year

The profit after tax of the continuing operations amounts to EUR 24.9 million and is thus slightly below the previous year's figure (EUR 25.3 million). Accordingly, earnings per share came to EUR 0.93 for the continuing operations (previous year: EUR 0.94 per share) and EUR -0.33 for the discontinued operations (previous year: EUR -0.77 per share).

During the first three months of 2023, the INDUS Group companies employed 10,801 people on average (previous year: 10,603 employees).

## Acquisition of QUICK

With a contract dated January 12, 2023, the INDUS Holding AG subsidiary BETOMAX systems GmbH & Co. KG acquired 100% of the shares in QUICK Bauprodukte GmbH (QUICK), Schwerte, Germany. QUICK is a specialist for formwork and reinforcement accessories, and manufactures and distributes standard and special parts for bridge building, overground and underground construction, and tunnel construction. QUICK's portfolio of products complements the BETOMAX product range and opens up new opportunities for the company in the field of bridge building. QUICK has been allocated to the Infrastructure segment. The economic transfer (closing) took place on March 31, 2023.

# Segment Reporting

In line with the strategy update PARKOUR perform, INDUS Holding AG has split the investment portfolio into three segments since January 1, 2023: Engineering, Infrastructure and Materials. As of March 31, 2023, our investment portfolio encompassed 45 operating units. The discontinued operations SELZER and SCHÄFER are not allocated to an operating segment.

## Engineering

### High Growth in Sales Across the Entire Segment

Sales in the Engineering segment amounted to EUR 142.1 million in the first three months of 2023, following EUR 120.4 million in the previous year. This represents a clear year-over-year increase of EUR 21.7 million (18.0%). The increase includes both inorganic growth of 6.0% – from the acquisition of HEIBER + SCHRÖDER and HELD in 2022 – and organic growth of 12.0%. The organic growth

came from the majority of the segment's portfolio companies and was in line with expectations.

Operating income (EBIT) came to a good EUR 15.6 million, following EUR 14.2 million in the previous year. The EBIT margin came to 11.0% (previous year: 11.8%) and is thus at the upper end of the target range for the full year of 9% to 11%. The decline in the EBIT margin is related to depreciation on fair value adjustments (purchase price allocation) on the fixed assets and inventory assets (order backlog) of the portfolio companies HEIBER + SCHRÖDER and HELD, which were acquired in the previous year.

We therefore anticipate a slight rise in sales and a steep rise in operating income (EBIT) for the full year. The EBIT margin will be within a range of 9% to 11%.

Investments in the reporting period of EUR 1.8 million related exclusively to investments in property, plant and equipment and intangible assets, as in the previous year. Investments were EUR 0.5 million lower year-over-year.

#### KEY FIGURES FOR ENGINEERING

(in EUR million)

	Q1 2023	Q1 2022	Difference	
			absolute	in %
Revenue with external third parties	142.1	120.4	21.7	18.0
EBITDA	23.4	21.1	2.3	10.9
Depreciation/amortization	-7.8	-6.9	-0.9	-13.0
EBIT	15.6	14.2	1.4	9.9
EBIT margin in %	11.0	11.8	-0.8 pp	-
Investments	1.8	2.3	-0.5	-21.7
Employees	2,817	2,679	138	5.2

## Infrastructure

### Acquisition of QUICK as a Complementary Addition to BETOMAX

Segment sales in the Infrastructure segment amounted to EUR 141.5 million and were therefore EUR 2.0 million (1.4%) higher in a year-over-year comparison (EUR 139.5 million). The growth in sales is entirely attributable to organic growth. Some portfolio companies seriously felt the slowdown in the construction sector. The majority of portfolio companies, however, profited from the solid order volumes in the field of renovations and were thus able to report sales increases in a quarterly comparison.

BETOMAX systems GmbH & Co. KG acquired QUICK Bauprodukte GmbH in January 2023. The economic transfer and the initial consolidation took place on March 31, 2023. QUICK is a specialist for formwork and reinforcement accessories, and manufactures and distributes standard and special parts for bridge building, overground and underground construction, and tunnel construction. QUICK's portfolio

of products perfectly complements the BETOMAX product range and opens up new opportunities for the company in the field of bridge building.

At EUR 10.7 million, operating income (EBIT) was down EUR 5.4 million on the previous year's figure (EUR 16.1 million). The EBIT margin of 7.6% was lower than in the previous year (11.5%) and below the target margin of 10% to 12%. An above-average slowdown in the residential construction sector was the cause for the decline in operating income in the last quarter. The portfolio companies that are primarily active in the new construction of single-family homes reported declines in income.

We continue to anticipate a slight rise in sales, a steep rise in operating income and an EBIT margin between 10% and 12% for the full year.

Investments of EUR 12.6 million in the reporting year related primarily to the acquisition of QUICK. Investments in fixed assets stood at EUR 3.8 million, above the value seen in the previous year (EUR 2.1 million).

#### KEY FIGURES FOR INFRASTRUCTURE

(in EUR million)

	Q1 2023	Q1 2022	Difference	
			absolute	in %
Revenue with external third parties	141.5	139.5	2.0	1.4
EBITDA	16.8	22.1	-5.3	-24.0
Depreciation/amortization	-6.1	-6.0	-0.1	-1.7
EBIT	10.7	16.1	-5.4	-33.5
EBIT margin in %	7.6	11.5	-4.0 pp	-
Investments	12.6	2.1	10.5	>100
Employees	2,931	2,859	72	2.5

## Materials

### EBIT Margin Reaches 12.1%

Sales in the Materials segment amounted to EUR 166.8 million in the first three months of the 2023 financial year, which represents an increase of EUR 10.3 million (6.6%) against the same period of the previous year. The increase in sales was generated completely organically. Virtually all portfolio companies in the Materials segment improved sales against the same period of the previous year. The segment's order situation is generally good.

At EUR 20.1 million, operating income (EBIT) was up by EUR 6.1 million or 43.6% quarter-on-quarter. The first quarter went well in a quarterly comparison. It is clearly noticeable here that following considerable cost increases at

the beginning of 2022, the segment companies have been able to pass along these higher costs in the sales prices. The EBIT margin came in at 12.1%, following 8.9% in the same period of the previous year.

However, we expect that income in the Materials segment will face more negative impacts over the course of the year. These had no impact in the first quarter, but are included in the planning for the full year and cover potential EU anti-dumping tolls on imports of an important raw material.

We currently anticipate a rise in sales and stable operating income (EBIT) for the full 2023 financial year. The EBIT margin will likely be between 6% and 8%.

At EUR 2.7 million, segment investments were on a par with the previous year and exclusively comprised investments in fixed assets.

#### KEY FIGURES FOR MATERIALS

(in EUR million)

	Q1 2023	Q1 2022	Difference	
			absolute	in %
Revenue with external third parties	166.8	156.5	10.3	6.6
EBITDA	27.2	21.0	6.2	29.5
Depreciation/amortization	-7.1	-7.0	-0.1	-1.4
EBIT	20.1	14.0	6.1	43.6
EBIT margin in %	12.1	8.9	3.1 pp	-
Investments	2.7	2.5	0.2	8.0
Employees	3,140	3,148	-8	-0.2

# Financial Position

CONSOLIDATED STATEMENT OF CASH FLOWS, CONDENSED				(in EUR million)
	Q1 2023	Q1 2022	absolute	in %
<b>Earnings after taxes</b>	<b>24.9</b>	<b>25.3</b>	<b>-0.4</b>	<b>-1.6</b>
Depreciation/amortization	21.3	20.0	1.3	6.5
Other non-cash changes	19.6	18.0	1.6	8.9
Cash-effective change in working capital	-41.6	-68.1	26.5	38.9
Change in other balance sheet items	-13.0	-11.1	-1.9	-17.1
Tax payments	-9.7	-1.9	-7.8	<-100
<b>Operating cash flow</b>	<b>1.5</b>	<b>-17.8</b>	<b>19.3</b>	<b>&gt;100</b>
Interest	-2.5	-2.3	-0.2	-8.7
<b>Cash flow from operating activities</b>	<b>-1.0</b>	<b>-20.1</b>	<b>19.1</b>	<b>95.0</b>
Cash outflow for investments and acquisitions	-17.4	-7.0	-10.4	<-100
Cash inflow from the disposal of assets	14.5	9.9	4.6	46.5
<b>Cash flow from investing activities</b>	<b>-2.9</b>	<b>2.9</b>	<b>-5.8</b>	<b>&lt;-100</b>
Dividend payments to non-controlling interests	-0.2	-0.3	0.1	33.3
Cash inflow from the raising of loans	23.3	60.4	-37.1	-61.4
Cash outflow from the repayment of loans	-19.4	-27.8	8.4	30.2
Cash outflow from the repayment of lease liabilities	-4.9	-4.3	-0.6	-14.0
<b>Cash flow from financing activities</b>	<b>-1.2</b>	<b>28.0</b>	<b>-29.2</b>	<b>&lt;-100</b>
Net changes in cash and cash equivalents from continuing operations	-5.1	10.8	-15.9	<-100
Net changes in cash and cash equivalents from discontinued operations	-9.0	-14.9	5.9	39.6
Changes in cash and cash equivalents caused by currency exchange rates	-0.4	-0.1	-0.3	<-100
Changes in cash and cash equivalents in connection with assets held for sale	3.3	0.0	3.3	-
Cash and cash equivalents at the beginning of the period	127.8	136.3	-8.5	-6.2
<b>Cash and cash equivalents at the end of the period</b>	<b>116.6</b>	<b>132.1</b>	<b>-15.5</b>	<b>-11.7</b>

## Statement of Cash Flows: Considerable Increase in Operating Cash Flow

Operating cash flow rose EUR 19.3 million to EUR 1.5 million in comparison with the same period of the previous year in the first quarter of 2023. While earnings after taxes from the continuing operations of EUR 24.9 million in the reporting period was virtually unchanged against the prior-year figure of EUR 25.3 million, the higher operating cash flow is due to the cash-effective change in working capital. Cash outflow decreased significantly in comparison with the first three months of 2022 due to the planned stockpiling, a decision taken in the first quarter of the previous year to counter the increase in materials prices and supply chain issues.

Taking into account interest payments in the amount of EUR 2.5 million (previous year: EUR 2.3 million), cash flow from operating activities amounted to EUR 1.0 million (previous year: EUR -20.1 million) and was thus EUR 19.1 million higher than the previous year's figure.

The cash outflow for investments in intangible assets and in property, plant and equipment was higher than in the previous year at EUR -8.5 million (previous year: EUR -6.9 million). Cash outflow for investment in shares in fully consolidated companies amounted to EUR -8.9 million for the acquisition of QUICK. Cash inflow from the disposal of assets comprised the proceeds from the sale of a commercial property in the amount of EUR 14.4 million. The second tranche of the purchase price for the sale of the

WIESAUPLAST Group of EUR 9.8 million was received in the previous year. Cash flow from investing activities came to a total of EUR -2.9 million, compared with EUR +2.9 million in the previous year.

Cash flow from financing activities declined significantly and amounted to EUR -1.2 million (previous year: EUR +28.0 million). Net borrowing decreased by EUR 28.7 million to EUR 3.9 million. Cash outflow from the repayment of lease liabilities rose slightly as a result of the increase in business activities.

In total, net changes in cash and cash equivalents from continuing operations amounted to EUR -5.1 million in the first three months of 2023 following EUR 10.8 million in the previous year. Net changes in cash and cash equivalents from discontinued operations amounted to EUR -9.0 million (previous year: EUR -14.9 million). Starting with an opening balance at the beginning of the year of EUR 127.8 million, cash and cash equivalents as of March 31, 2023, stood at EUR 116.6 million.

## Free Cash Flow Rises Significantly

Free cash flow was introduced as an additional management variable with the strategy update PARKOUR perform. Free cash flow is the sum of operating cash flow and cash flow from investing activities less cash outflow for investments in fully consolidated companies.

Free cash flow indicates the funds available to INDUS for new acquisitions, dividend payments and reducing net debt.

in EUR million	Q1 2023	Q1 2022
<b>Operating cash flow from continuing operations</b>	<b>1.5</b>	<b>-17.8</b>
Cash flow from investing activities from continuing operations	-2.9	2.9
Cash outflow for investments for shares in fully consolidated companies	8.9	0.0
<b>Free cash flow</b>	<b>7.5</b>	<b>-14.9</b>

In the first quarter, the INDUS Group generated free cash flow of EUR 7.5 million. Free cash flow was thus EUR 22.4 million higher quarter-on-quarter.

Free cash flow in the first quarter of 2023 almost completely covered the acquisition of the complementary addition QUICK at the end of March 2023.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION, CONDENSED

(in EUR million)

	March 31, 2023	December 31, 2022	Difference	
			absolute	in %
<b>ASSETS</b>				
<b>Non-current assets</b>	<b>1,029.8</b>	<b>1,023.5</b>	<b>6.3</b>	<b>0.6</b>
Fixed assets	1,007.6	1,001.4	6.2	0.6
Receivables and other assets	22.2	22.1	0.1	0.5
<b>Current assets</b>	<b>890.8</b>	<b>866.4</b>	<b>24.4</b>	<b>2.8</b>
Inventories	482.9	449.4	33.5	7.5
Receivables and other assets	242.5	222.9	19.6	8.8
Cash and cash equivalents	116.6	127.8	-11.2	-8.8
Assets held for sale	48.8	66.3	-17.5	-26.4
<b>Total assets</b>	<b>1,920.6</b>	<b>1,889.9</b>	<b>30.7</b>	<b>1.6</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Non-current financial instruments</b>	<b>1,449.3</b>	<b>1,413.9</b>	<b>35.4</b>	<b>2.5</b>
Equity	699.1	685.2	13.9	2.0
Borrowings	750.2	728.7	21.5	3.0
of which provisions	26.2	24.7	1.5	6.1
of which payables and deferred taxes	724.0	704.0	20.0	2.8
<b>Current financing instruments</b>	<b>471.3</b>	<b>476.0</b>	<b>-4.7</b>	<b>-1.0</b>
of which provisions	36.6	42.3	-5.7	-13.5
of which liabilities	398.9	398.0	0.9	0.2
of which liabilities for assets held for sale	35.8	35.7	0.1	0.3
<b>Total equity and liabilities</b>	<b>1,920.6</b>	<b>1,889.9</b>	<b>30.7</b>	<b>1.6</b>

## Equity Ratio Virtually Unchanged at 36.4%

The INDUS Group's consolidated total assets amounted to EUR 1,920.6 million as of March 31, 2023, and were thus EUR 30.7 million (1.6%) higher than they were as of December 31, 2022. The main reason for this was the usual increase in working capital in the first quarter of the INDUS financial year.

Equity increased by EUR 13.9 million (2.0%). This was primarily due to income in the first quarter of 2023. As of March 31, 2023, the equity ratio amounted to 36.4% and was therefore on a par with December 31, 2022 (36.3%), due to the increase in total assets.

The increase in non-current liabilities primarily relates to non-current liabilities (EUR +13.6 million). Correspondingly, current financial liabilities fell by EUR 7.8 million.

Working capital amounted to EUR 536.8 million as of March 31, 2023, and was thus 8.1% higher than as of December 31, 2022 (EUR 496.7 million). The usual seasonal increase in working capital was lower against the same quarter of the previous year, as expected. This was due to easing of the supply chain issues and the slowdown in price developments.

Assets held for sale decreased from EUR 66.3 million as of December 31, 2022, to EUR 48.8 million as of March 31, 2023. The main reason for this was the sale of real estate in the first quarter. Liabilities for assets held for sale amounted to EUR 35.8 million and were thus virtually unchanged against December 31, 2022.

**WORKING CAPITAL**

(in EUR million)

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>Difference</b>	
			<b>absolute</b>	<b>in %</b>
Inventories	482.9	449.4	33.5	7.5
Receivables	214.7	195.5	19.2	9.8
Trade payables	-94.9	-74.3	-20.6	-27.7
Advance payments received	-33.4	-33.0	-0.4	-1.2
Contract liabilities	-32.5	-40.9	8.4	20.5
<b>Working capital</b>	<b>536.8</b>	<b>496.7</b>	<b>40.1</b>	<b>8.1</b>

Net financial liabilities amounted to EUR 610.5 million as of March 31, 2023, and were thus slightly higher (EUR 17.0 million) than as of December 31, 2022. This increase is lower than the increase in working capital in the

first quarter and comprises higher non-current financial liabilities (EUR +13.6 million), lower current financial liabilities (EUR -7.8 million) and lower cash and cash equivalents (EUR -11.2 million).

**NET FINANCIAL LIABILITIES**

(in EUR million)

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>Difference</b>	
			<b>absolute</b>	<b>in %</b>
Non-current financial liabilities	594.2	580.6	13.6	2.3
Current financial liabilities	132.9	140.7	-7.8	-5.5
Cash and cash equivalents	-116.6	-127.8	11.2	8.8
<b>Net financial liabilities</b>	<b>610.5</b>	<b>593.5</b>	<b>17.0</b>	<b>2.9</b>

# Opportunities and Risks

For the Opportunities and Risk Report of INDUS Holding AG, please consult the 2022 Annual Report. The company operates an efficient risk management system for early detection, comprehensive analysis, and the systematic handling of risks. The particulars of the risk management system and the significance of individual risks are explained in the Annual Report. Therein is stated that the company does not consider itself to be exposed to any risks that might jeopardize its continued existence as a going concern.

# Outlook

Following a 0.5% decline in German economic output in the fourth quarter of 2022, GDP remained unchanged in the first quarter of 2023 in comparison with the previous quarter. Although declining, the ongoing high rate of inflation continues to impact consumption. On the other hand, investment and exports drove output in the first three months. The general conditions for the industrial sector remain challenging, but are showing a slight trend toward an upturn. The supply chain bottlenecks for primary materials continued to ease up and the lower energy prices supported production in the energy-intensive sector. In the main construction sector, production also increased, partially due to mild weather, despite the higher construction prices and financing costs that are holding back demand. The real volume of new orders in overground construction fell 6.0% in February 2023 against the previous month. At the same time, incoming orders in underground construction rose by 14.6%. In total, incoming orders in the main construction sector rose 4.2% in comparison with January 2023. In comparison with February 2022 the figure declined by 15.4%, however.

The outlook for German businesses is cautiously optimistic. In April 2023 the ifo Business Climate Index rose somewhat, especially due to the slight improvement in expectations. The indicators for both the manufacturing sector and the main construction sector rose. Overall, however, economic momentum remains strained. The price pressures are expected to remain high even following the peak in the coming months. The inflation rate in April 2023 is 7.2% compared to April 2022. The German federal government raised its forecast for the current year from 0.2% growth to 0.4% in April 2023. In contrast, the International Monetary Foundation expects German economic output to decline by 0.1% in 2023. In light of the uncertain overall conditions, the IMF also expects the global economy to grow more slowly in 2023 at 2.8% than in 2022 (+3.4%).

INDUS increased sales and improved operating income proportionally by 8.2% in the first quarter of 2023. The EBIT margin was 9.9%. The Engineering segment recorded increased sales and an EBIT margin of 11%. This is at the upper end of the forecast range of 9% to 11% for the entire year. The Infrastructure segment portfolio companies active in the field of renovations performed well and increased their sales. In the residential construction sector, the economy is clearly subdued, which has had an impact on the income of portfolio companies active in this field. The Materials segment laid down a solid performance in the first quarter. Sales, EBIT, and the EBIT margin all increased significantly.

Operating cash flow climbed considerably in comparison with the previous year and the usual increase in working capital in the first quarter was lower than in the previous year. Investing activities saw higher expenditure in fixed assets and the acquisition of QUICK as a complementary addition for BETOMAX.

In the coming months, we expect to see a slight decline in operating income (EBIT). This is due in particular to the slowdown in construction activity in the Infrastructure segment and individual negative effects expected in the Materials segment that we have already budgeted for.

Our sales forecast for the whole of 2023 remains unchanged at between EUR 1.9 billion and EUR 2.0 billion. Without taking into account any potential impairment on goodwill, we continue to expect operating income (EBIT) for the full year to range between EUR 145 million and EUR 165 million, with an EBIT margin of between 7% and 8%.

# Condensed Consolidated Interim Financial Statements

## Consolidated Statement of Income

FOR THE FIRST QUARTER OF 2023

in EUR '000	Notes	Q1 2023	Q1 2022
<b>REVENUE</b>		<b>450,806</b>	<b>416,459</b>
Other operating income		3,204	2,662
Own work capitalized		1,075	859
Change in inventories		18,720	24,972
Cost of materials	[5]	-221,152	-211,856
Personnel expenses	[6]	-129,314	-119,742
Depreciation/amortization		-21,301	-20,026
Other operating expenses	[7]	-57,247	-51,932
<b>OPERATING INCOME (EBIT)</b>		<b>44,791</b>	<b>41,396</b>
Interest income		278	32
Interest expense		-4,135	-3,436
<b>NET INTEREST</b>		<b>-3,857</b>	<b>-3,404</b>
Income from shares accounted for using the equity method		335	35
Other financial income		-4,346	-2,055
<b>FINANCIAL INCOME</b>	[8]	<b>-7,868</b>	<b>-5,424</b>
<b>EARNINGS BEFORE TAXES (EBT)</b>		<b>36,923</b>	<b>35,972</b>
Income taxes	[9]	-12,006	-10,647
Earnings from discontinued operations	[4]	-8,878	-20,756
<b>EARNINGS AFTER TAXES</b>		<b>16,039</b>	<b>4,569</b>
of which interests attributable to non-controlling shareholders		9	79
of which interests attributable to INDUS shareholders		16,030	4,490
Earnings per share (basic and diluted) in EUR			
from continuing operations	[10]	0.93	0.94
from discontinued operations	[10]	-0.33	-0.77
<b>from continuing and discontinued operations</b>	[10]	<b>0.60</b>	<b>0.17</b>

# Consolidated Statement of Comprehensive Income

FOR THE FIRST QUARTER OF 2023

in EUR '000	Q1 2023	Q1 2022
<b>EARNINGS AFTER TAXES</b>	<b>16,039</b>	<b>4,569</b>
Actuarial gains/losses	-1,103	9,111
Deferred taxes	266	-2,252
<b>Items not to be reclassified to profit or loss</b>	<b>-837</b>	<b>6,859</b>
Currency conversion adjustment	-995	1,913
Change in the market values of hedging instruments (cash flow hedge)	-174	1,821
Deferred taxes	28	-124
<b>Items to be reclassified to profit or loss</b>	<b>-1,141</b>	<b>3,610</b>
<b>OTHER COMPREHENSIVE INCOME</b>	<b>-1,978</b>	<b>10,469</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>14,061</b>	<b>15,038</b>
of which attributable to non-controlling shareholders	-5	106
of which attributable to non-controlling shareholders	14,066	14,932

Income and expenses recorded under other comprehensive income include actuarial losses (previous year: gains) from pensions and similar obligations amounting to EUR -1,103 thousand (previous year: EUR 9,111 thousand). This was the result of a 0.15 percentage point decrease in the interest rate for domestic pension obligations (previous year: increase of 0.80 percentage points) and a 0.14 percentage point decrease for foreign pensions (Switzerland) (previous year: increase of 0.86 percentage points).

Income from currency conversion is derived primarily from the converted financial statements of consolidated international subsidiaries. The change in the market value of derivative financial instruments was the result of interest rate swaps transacted by the holding company to hedge against interest rate movements.

# Consolidated Statement of Financial Position

AS OF MARCH 31, 2023

in EUR '000	Notes	March 31, 2023	December 31, 2022
<b>ASSETS</b>			
Goodwill		407,413	403,725
Right-of-use assets from leasing/rent		69,443	68,904
Other intangible assets		176,436	172,436
Property, plant and equipment		341,882	344,283
Investment property		2,208	2,215
Financial investments		5,611	5,571
Shares accounted for using the equity method		4,611	4,276
Other non-current assets		2,364	1,967
Deferred taxes		19,858	20,172
<b>Non-current assets</b>		<b>1,029,826</b>	<b>1,023,549</b>
Inventories	[11]	482,873	449,387
Receivables	[12]	214,746	195,468
Other current assets		23,708	22,048
Current income taxes		4,035	5,342
Cash and cash equivalents		116,611	127,816
Assets held for sale	[15]	48,756	66,273
<b>Current assets</b>		<b>890,729</b>	<b>866,334</b>
<b>TOTAL ASSETS</b>		<b>1,920,555</b>	<b>1,889,883</b>
<b>EQUITY AND LIABILITIES</b>			
Subscribed capital		69,928	69,928
Capital reserve		318,143	318,143
Other reserves		309,156	295,090
<b>Equity held by INDUS shareholders</b>		<b>697,227</b>	<b>683,161</b>
Non-controlling interests in the equity		1,908	2,060
<b>Equity</b>		<b>699,135</b>	<b>685,221</b>
Pension provisions		25,130	23,568
Other non-current provisions		1,103	1,093
Non-current financial liabilities	[13]	594,225	580,638
Other non-current liabilities	[14]	64,386	59,737
Deferred taxes		65,370	63,627
<b>Non-current liabilities</b>		<b>750,214</b>	<b>728,663</b>
Other current provisions		36,586	42,336
Current financial liabilities	[13]	132,938	140,734
Trade payables		94,870	74,283
Other current liabilities	[14]	152,420	165,710
Current income taxes		18,616	17,245
Liabilities in connection with assets held for sale	[15]	35,776	35,691
<b>Current liabilities</b>		<b>471,206</b>	<b>475,999</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,920,555</b>	<b>1,889,883</b>

# Consolidated Statement of Changes in Equity

FROM JANUARY 1 TO MARCH 31, 2023

in EUR '000	Subscribed capital	Capital reserve	Retained earnings	Other reserves	Equity held by INDUS shareholders	Interests held by non-controlling shareholders	Group equity
<b>AS OF JANUARY 1, 2022</b>							
before IAS 37 adjustment	69,928	318,143	410,994	-13,434	785,631	1,843	787,474
IAS 37 adjustment (rev. 2020)			-46,000		-46,000		-46,000
<b>AS OF JANUARY 1, 2022</b>	<b>69,928</b>	<b>318,143</b>	<b>364,994</b>	<b>-13,434</b>	<b>739,631</b>	<b>1,843</b>	<b>741,474</b>
Earnings after taxes			4,490		4,490	79	4,569
Other comprehensive income				10,442	10,442	27	10,469
<b>Total comprehensive income</b>			<b>4,490</b>	<b>10,442</b>	<b>14,932</b>	<b>106</b>	<b>15,038</b>
Dividend payment						-315	-315
<b>AS OF MARCH 31, 2022</b>	<b>69,928</b>	<b>318,143</b>	<b>369,484</b>	<b>-2,992</b>	<b>754,563</b>	<b>1,634</b>	<b>756,197</b>
<b>AS OF JANUARY 1, 2023</b>	<b>69,928</b>	<b>318,143</b>	<b>284,932</b>	<b>10,158</b>	<b>683,161</b>	<b>2,060</b>	<b>685,221</b>
Earnings after taxes			16,030		16,030	9	16,039
Other comprehensive income				-1,964	-1,964	-14	-1,978
<b>Total comprehensive income</b>			<b>16,030</b>	<b>-1,964</b>	<b>14,066</b>	<b>-5</b>	<b>14,061</b>
Dividend payment						-147	-147
<b>AS OF MARCH 31, 2023</b>	<b>69,928</b>	<b>318,143</b>	<b>300,962</b>	<b>8,194</b>	<b>697,227</b>	<b>1,908</b>	<b>699,135</b>

Interests attributable to non-controlling shareholders as of March 31, 2023, primarily consist of interests attributable to non-controlling shareholders in ROLKO Group subsidiaries. Interests attributable to non-controlling shareholders for which the economic ownership of the corresponding non-controlling interests had already been transferred under reciprocal option agreements at the acquisition date, are shown under other liabilities.

# Consolidated Statement of Cash Flows

FOR THE FIRST QUARTER OF 2023

in EUR '000	Q1 2023	Q1 2022
Earnings after taxes from continuing operations	24,917	25,325
Depreciation/amortization of non-current assets	21,301	20,026
Income taxes	12,006	10,647
Financial income	7,868	5,424
Other non-cash transactions	-259	1,873
Changes in provisions	-6,001	-2,005
Increase (-)/decrease (+) in inventories, receivables and other assets	-53,430	-116,677
Increase (+)/decrease (-) in trade payables and other equity and liabilities	4,833	39,463
Income taxes received/paid	-9,754	-1,886
<b>Operating cash flow from continuing operations</b>	<b>1,481</b>	<b>-17,810</b>
Interest paid	-2,763	-2,343
Interest received	285	102
<b>Cash flow from operating activities from continuing operations</b>	<b>-997</b>	<b>-20,051</b>
Cash outflow from investments in		
property, plant and equipment and intangible assets	-8,487	-6,876
financial investments and shares accounted for using the equity method	-100	-99
shares in fully consolidated companies	-8,851	0
Cash inflow from the disposal of		
shares in fully consolidated companies	0	9,843
other assets	14,463	16
<b>Cash flow from investing activities from continuing operations</b>	<b>-2,975</b>	<b>2,884</b>
Dividend payments to non-controlling interests	-147	-315
Cash inflow from the raising of loans	23,308	60,401
Cash outflow from the repayment of loans	-19,422	-27,772
Cash outflow from the repayment of lease liabilities	-4,913	-4,283
<b>Cash flow from financing activities from continuing operations</b>	<b>-1,174</b>	<b>28,031</b>
Net changes in cash and cash equivalents of continuing operations	-5,146	10,864
Net changes in cash and cash equivalents of discontinued operations	-8,970	-14,931
Changes in cash and cash equivalents caused by currency exchange rates	-381	-117
Changes in cash and cash equivalents in connection with assets held for sale	3,292	0
Cash and cash equivalents at the beginning of the period	127,816	136,320
<b>Cash and cash equivalents at the end of the period</b>	<b>116,611</b>	<b>132,136</b>

# Notes

## Basic Principles of the Consolidated Financial Statements

### [1] General Information

INDUS Holding AG, with registered office in Bergisch Gladbach, Germany, has prepared its condensed consolidated interim financial statements for the period from January 1, 2023, to March 31, 2023, in accordance with the International Financial Reporting Standards (IFRS), and their interpretation by the International Financial Reporting Standards Interpretations Committee (IFRS IC) as applicable in the European Union (EU). The consolidated financial statements are prepared in euros (EUR). Unless otherwise indicated, all amounts are stated in thousands of euros (EUR '000).

These interim financial statements have been prepared in accordance with IAS 34 in condensed form. The interim report has been neither audited nor subjected to perusal or review by an auditor.

New obligatory standards are reported on separately in the section "Changes in Accounting Standards." Otherwise, the same accounting methods have been applied as in the consolidated financial statements for the 2022 financial year, where they are described in detail. Since these interim financial statements do not provide the full scope of information found in the annual financial statements, these financial statements should be considered within the context of the last annual financial statements.

In the Board of Management's view, this quarterly report includes all usual current adjustments necessary for the proper presentation of the Group's financial position and financial performance. The results achieved in the first quarter of 2023 do not necessarily allow predictions to be made regarding future business performance.

Preparation of the consolidated financial statements is influenced by accounting and valuation principles and requires assumptions and estimates that have an impact on the recognized value of assets, liabilities, and contingent liabilities, and on income and expenses. When estimates are made regarding the future, actual values may differ from the estimates. If the original basis for the estimates changes, the statement of the items in question is adjusted through profit and loss.

### [2] Changes in Accounting Standards

All obligatory accounting standards in effect as of the 2023 financial year have been implemented in the interim financial statements at hand.

The application of new standards has had no material effect on the presentation of the financial position and financial performance of INDUS Holding AG.

### [3] Company Acquisitions

#### FURTHER COMPANY ACQUISITIONS

With a contract dated January 12, 2023, the INDUS Holding AG subsidiary BETOMAX systems GmbH & Co. KG, acquired 100% of the shares in QUICK Bauprodukte GmbH (QUICK), Schwerte, Germany. QUICK is a specialist for formwork and reinforcement accessories, and manufactures and distributes standard and special parts for bridge building, overground and underground construction, and tunnel construction. QUICK's portfolio of products complements the BETOMAX product range and opens up new opportunities for the company in the field of bridge building. QUICK has been allocated to the Infrastructure segment. The economic transfer (closing) took place on March 31, 2023.

The fair value of the total consideration amounted to EUR 11,398 thousand as of the acquisition date and included an earn-out of EUR 2,200 thousand.

Goodwill of EUR 3,862 thousand, determined in the course of the purchase price allocation, is not tax-deductible. Goodwill is the residual amount of the total consideration less the value of the re-assessed acquired assets and assumed liabilities and does not represent the accountable potential earnings of the acquired company for the future or the expertise of the personnel.

In the preliminary purchase price allocation, the acquired assets and liabilities have been calculated as follows:

#### FURTHER NEW ACQUISITIONS: QUICK

(in EUR '000)

	Carrying amount at time of acquisition	Remeasurement	Addition to consolidated statement of financial position
Goodwill	0	3,862	3,862
Other intangible assets	2,747	8,494	11,241
Property, plant and equipment	585	500	1,085
Inventories	394	258	652
Receivables	456	0	456
Other assets*	458	0	458
Cash and cash equivalents	347	0	347
<b>Total assets</b>	<b>4,987</b>	<b>13,114</b>	<b>18,101</b>
Pension provisions	304	0	304
Other provisions	200	0	200
Financial liabilities	2,747	0	2,747
Trade payables	201	0	201
Other equity and liabilities**	475	2,776	3,251
<b>Total liabilities</b>	<b>3,927</b>	<b>2,776</b>	<b>6,703</b>

\* Other assets: other non-current assets, other current assets, deferred taxes, current income taxes

\*\* Other equity and liabilities: other non-current liabilities, other current liabilities, deferred taxes, current income taxes

The re-assessed intangible assets essentially comprise client relations and the client base.

QUICK was consolidated for the first time as of March 31, 2023. Expenses recognized in profit and loss from the initial consolidation of QUICK had a negative impact of EUR 312 thousand on operating income (EBIT). The incidental acquisition costs were recorded in the statement of income.

## [4.] Discontinued Operations

On October 24, 2022, INDUS Holding AG lost control of SMA and its subsidiaries and deconsolidated the companies. SMA is a discontinued operation pursuant to IFRS 5.32.

The decision to sell SELZER Fertigungstechnik and its subsidiaries and SCHÄFER Holding GmbH and its subsidiaries was made in the fourth quarter of 2022. We are actively looking for buyers. Exploratory discussions are underway with interested parties and initial indicative price suggestions have been obtained. The probability of a sale within the current financial year is very high. SELZER and SCHÄFER are both discontinued operations pursuant to IFRS 5.32. The assets and liabilities are classified as "held for sale" and listed in the statement of financial position under the corresponding item. This item is explained under [15] of the Notes.

The following overview presents the expenses and income from discontinued operations in the first quarters of 2023 and 2022:

in EUR '000	Q1 2023	Q1 2022
Revenue	19,758	28,324
Other revenue	265	1,134
Expenses	-27,427	-50,311
<b>Operating income (EBIT)</b>	<b>-7,404</b>	<b>-20,853</b>
Income taxes	-1,346	153
<b>Earnings from discontinued operations</b>	<b>-8,878</b>	<b>-20,756</b>

The following cash flows are allocable to discontinued operations:

in EUR '000	Q1 2023	Q1 2022
Cash flow from operating activities	-7,131	-9,767
Cash flow from investing activities	-1,492	-4,358
Cash flow from financing activities	-347	-806
<b>Net changes in cash and cash equivalents from discontinued operations</b>	<b>-8,970</b>	<b>-14,931</b>

## Notes to the Consolidated Statement of Income

### [5] Cost of Materials

in EUR '000	Q1 2023	Q1 2022
Raw materials, consumables and supplies, and purchased merchandise	-194,249	-190,767
Purchased services	-26,903	-21,089
<b>Total</b>	<b>-221,152</b>	<b>-211,856</b>

### [6] Personnel Expenses

in EUR '000	Q1 2023	Q1 2022
Wages and salaries	-108,962	-100,916
Social security	-19,202	-17,768
Pensions	-1,150	-1,058
<b>Total</b>	<b>-129,314</b>	<b>-119,742</b>

### [7] Other Operating Expenses

in EUR '000	Q1 2023	Q1 2022
Selling expenses	-24,412	-22,274
Operating expenses	-15,806	-14,517
Administrative expenses	-15,053	-12,724
Other expenses	-1,976	-2,417
<b>Total</b>	<b>-57,247</b>	<b>-51,932</b>

### [8] Financial Income

in EUR '000	Q1 2023	Q1 2022
Interest and similar income	278	32
Interest and similar expenses	-4,135	-3,436
<b>Net interest</b>	<b>-3,857</b>	<b>-3,404</b>
<b>Income from shares accounted for using the equity method</b>	<b>335</b>	<b>35</b>
Interests attributable to non-controlling shareholders	-4,354	-2,062
Income from financial investments	8	7
<b>Other financial income</b>	<b>-4,346</b>	<b>-2,055</b>
<b>Total</b>	<b>-7,868</b>	<b>-5,424</b>

The “Interests attributable to non-controlling shareholders” item includes an effect on income from the subsequent valuation of the contingent purchase price liabilities (call/put options) of EUR -2,506 thousand (previous year: EUR -106 thousand) and earnings after taxes that external entities are entitled to from shares in limited partnerships and stock corporations with call/put options.

### [9] Income Taxes

The income tax expense in the interim financial statements is calculated based on the assumptions currently used for tax planning purposes.

### [10] Earnings per Share

in EUR '000	Q1 2023	Q1 2022
<b>Income attributable to INDUS shareholders</b>	<b>16,030</b>	<b>4,490</b>
Income from discontinued operations	-8,878	-20,756
<b>Income attributable to INDUS shareholders from continuing operations</b>	<b>24,908</b>	<b>25,246</b>
Weighted average shares outstanding (in thousands)	26,896	26,896
Earnings per share from continuing operations (in EUR)	0.93	0.94
Earnings per share from discontinued operations (in EUR)	-0.33	-0.77
<b>Earnings per share from continuing and discontinued operations (in EUR)</b>	<b>0.60</b>	<b>0.17</b>

## Notes to the Consolidated Statement of Financial Position

### [11] Inventories

in EUR '000	March 31, 2023	December 31, 2022
Raw materials, consumables, and supplies	186,940	173,902
Unfinished goods	126,608	118,898
Finished goods and goods for resale	149,578	137,645
Advance payments	19,747	18,942
<b>Total</b>	<b>482,873</b>	<b>449,387</b>

### [12] Receivables

in EUR '000	March 31, 2023	December 31, 2022
Receivables from customers	201,436	182,087
Contract receivables	12,624	12,553
Receivables from associated companies	686	828
<b>Total</b>	<b>214,746</b>	<b>195,468</b>

### [13] Financial Liabilities

in EUR '000	March 31, 2023	Current	Non-current	December 31, 2022	Current	Non-current
Liabilities to banks	352,885	86,671	266,214	347,727	94,357	253,370
Lease liabilities	70,778	17,196	53,582	70,145	17,306	52,839
Promissory note loans	303,500	29,071	274,429	303,500	29,071	274,429
<b>Total</b>	<b>727,163</b>	<b>132,938</b>	<b>594,225</b>	<b>721,372</b>	<b>140,734</b>	<b>580,638</b>

### [14] Liabilities

Other liabilities of EUR 66,502 thousand (Dec. 31, 2022: EUR 64,050 thousand) include contingent purchase price liabilities, carried at fair value, insofar as the non-controlling shareholders can tender shares to INDUS by terminating the Articles of Incorporation or on the basis of option agreements.

### [15] Assets Held for Sale and Liabilities in Connection with Assets Held for Sale

The Board of Management of INDUS Holding AG made the decision in the fourth quarter of 2022 to sell SELZER Fertigungstechnik and its subsidiaries, and SCHÄFER Holding GmbH and its subsidiaries. We are actively looking for buyers. Exploratory discussions are underway with interested parties and initial indicative price suggestions for the companies have been obtained. The probability of a sale within twelve months of the Board of Management's decision is very high.

The allocated assets are therefore reported under "Assets held for sale." Liabilities belonging to the disposal group have been reported under the balance sheet item "Liabilities in connection with assets held for sale" accordingly. Write-downs in connection with the planned sale of SELZER and SCHÄFER are recognized as expenses under earnings from discontinued operations in the amount of EUR 4,990 thousand (same period of the previous year: EUR 0 thousand).

Assets held for sale as of December 31, 2022, contain land and buildings in the amount of EUR 18,333 thousand.

A plot of land including a building in Switzerland was sold in the first quarter of 2023, which reduced the value of this item by EUR 14,403 thousand.

in EUR '000	March 31, 2023	December 31, 2022
Non-current assets	10,980	28,300
Inventories/receivables	28,804	25,102
Other assets	7,136	7,743
Cash and cash equivalents	1,836	5,128
<b>Total assets held for sale</b>	<b>48,756</b>	<b>66,273</b>
Provisions	13,430	13,015
Financial liabilities	10,042	10,389
Trade payables	6,393	6,223
Other equity and liabilities	5,911	6,064
<b>Total liabilities in connection with assets held for sale</b>	<b>35,776</b>	<b>35,691</b>

## Other Disclosures

### [16] Information on the Statement of Cash Flows

The statement of cash flows contains the cash flows from continuing operations. The following table presents the cash flows of the entire INDUS Group, broken down by continuing and discontinued operations:

in EUR '000	Q1 2023	Q1 2022
Cash flow from operating activities from continuing operations	-997	-20,051
Cash flow from operating activities from discontinued operations	-7,131	-9,767
<b>Total cash flow from operating activities</b>	<b>-8,128</b>	<b>-29,818</b>
Cash flow from investing activities from continuing operations	-2,975	2,884
Cash flow from investing activities from discontinued operations	-1,492	-4,358
<b>Total cash flow from investing activities</b>	<b>-4,467</b>	<b>-1,474</b>
Cash flow from financing activities from continuing operations	-1,174	28,031
Cash flow from financing activities from discontinued operations	-347	-806
<b>Total cash flow from financing activities</b>	<b>-1,521</b>	<b>27,225</b>
Net changes in cash and cash equivalents of continuing operations	-5,145	10,864
Net changes in cash and cash equivalents of discontinued operations	-8,970	-14,931
<b>Total net changes in cash and cash equivalents</b>	<b>-14,116</b>	<b>-4,067</b>

See [4] for information regarding the composition of cash flows from discontinued operations.

## [17] Segment Reporting

### SEGMENT INFORMATION BY DIVISION FOR THE FIRST QUARTER OF 2023

#### SEGMENT REPORT IN ACCORDANCE WITH IFRS 8

(in EUR '000)

	<u>Engineering</u>	<u>Infrastructure</u>	<u>Materials</u>	<u>Total segments</u>	<u>Other/ reconciliation</u>	<u>Consolidated financial statements</u>
<b>Q1 2023</b>						
Revenue with external third parties	142,105	141,470	166,775	450,350	456	450,806
Revenue with other segments	636	1	15	652	-652	0
<b>Revenue</b>	<b>142,741</b>	<b>141,471</b>	<b>166,790</b>	<b>451,002</b>	<b>-196</b>	<b>450,806</b>
<b>Segment earnings (EBIT)</b>	<b>15,558</b>	<b>10,682</b>	<b>20,144</b>	<b>46,384</b>	<b>-1,593</b>	<b>44,791</b>
Income from measurement according to the equity method	0	335	0	335	0	335
<b>Depreciation/amortization</b>	<b>-7,871</b>	<b>-6,157</b>	<b>-7,088</b>	<b>-21,116</b>	<b>-185</b>	<b>-21,301</b>
<b>Segment EBITDA</b>	<b>23,429</b>	<b>16,839</b>	<b>27,232</b>	<b>67,500</b>	<b>-1,408</b>	<b>66,092</b>
<b>Investments</b>	<b>1,771</b>	<b>12,625</b>	<b>2,715</b>	<b>17,111</b>	<b>227</b>	<b>17,338</b>
of which company acquisitions	0	8,851	0	8,851	0	8,851

	<u>Engineering</u>	<u>Infrastructure</u>	<u>Materials</u>	<u>Total segments</u>	<u>Other/ reconciliation</u>	<u>Consolidated financial statements</u>
<b>Q1 2022</b>						
Revenue with external third parties	120,359	139,483	156,524	416,366	93	416,459
Revenue with other segments	770	2	83	855	-855	0
<b>Revenue</b>	<b>121,129</b>	<b>139,485</b>	<b>156,607</b>	<b>417,221</b>	<b>-762</b>	<b>416,459</b>
<b>Segment earnings (EBIT)</b>	<b>14,183</b>	<b>16,114</b>	<b>14,041</b>	<b>44,338</b>	<b>-2,942</b>	<b>41,396</b>
Income from measurement according to the equity method	0	35	0	35	0	35
<b>Depreciation/amortization</b>	<b>-6,897</b>	<b>-5,961</b>	<b>-6,956</b>	<b>-19,814</b>	<b>-212</b>	<b>-20,026</b>
<b>Segment EBITDA</b>	<b>21,080</b>	<b>22,075</b>	<b>20,997</b>	<b>64,152</b>	<b>-2,730</b>	<b>61,422</b>
<b>Investments</b>	<b>2,200</b>	<b>2,136</b>	<b>2,524</b>	<b>6,860</b>	<b>16</b>	<b>6,876</b>
of which company acquisitions	0	0	0	0	0	0

The table below reconciles the total operating results of segment reporting with the earnings before taxes in the consolidated statement of income:

<b>RECONCILIATION</b>	(in EUR '000)	
	<b>Q1 2023</b>	<b>Q1 2022</b>
<b>Segment earnings (EBIT)</b>	<b>46,384</b>	<b>44,338</b>
Areas not allocated incl. holding company	-1,593	-2,942
Financial income	-7,868	-5,424
<b>Earnings before taxes</b>	<b>36,923</b>	<b>35,972</b>

The classification of segments corresponds to the current state of internal reporting. Internal reporting changed as of January 1, 2023, with the PARKOUR perform strategy update. The new segment structure has been subdivided into the Engineering, Infrastructure and Materials segments in line with the technological focal points. The segment information relates to continued operations.

The reconciliations contain the figures of the holding company, the non-operating units not allocated to any segment, and consolidations.

The key control variable for the segments is operating income (EBIT) as defined in the consolidated financial statements. The information pertaining to the segments has been ascertained in compliance with the reporting and valuation methods that were applied in the preparation of the consolidated financial statements. Transfer prices between segments are based on arm's-length prices to the extent that they can be established in a reliable manner and are otherwise determined on the basis of the cost-plus pricing method.

#### SEGMENT INFORMATION BY REGION

The breakdown of sales by region relates to our selling markets. Owing to the diversity of our foreign activities, a further breakdown by country would not be meaningful since no country other than Germany accounts for 10% of Group sales.

Non-current assets, less deferred taxes and financial instruments, are based on the registered offices of the companies concerned. Further differentiation would not be useful since the majority of companies are based in Germany.

Owing to the diversification policy at INDUS, there were no individual product or service groups and no individual customers that accounted for more than 10% of sales.

in EUR '000	<u>Group</u>	<u>Germany</u>	<u>EU</u>	<u>Third countries</u>
<b>Q1 2023</b>				
Revenue with external third parties	<b>450,806</b>	<b>235,614</b>	<b>85,350</b>	<b>129,842</b>
<b>March 31, 2023</b>				
Non-current assets, less deferred taxes and financial instruments	1,001,993	883,699	39,289	79,005
<b>Q1 2022</b>				
Revenue with external third parties	416,459	203,404	83,706	129,349
<b>December 31, 2022</b>				
Non-current assets, less deferred taxes and financial instruments	995,839	876,160	39,438	80,241

## [18] Information on the Significance of Financial Instruments

The table below shows the carrying amounts of the financial instruments. The fair value of a financial instrument is the price that would be paid in an orderly transaction between market participants for the sale of an asset or transfer of a liability on the measurement date.

### FINANCIAL INSTRUMENTS

(in EUR '000)

	<u>Balance sheet value</u>	<u>Not within the scope of IFRS 9</u>	<u>IFRS 9 financial instruments</u>	<u>Of which measured at fair value</u>	<u>Of which measured at amortized cost</u>
<b>March 31, 2023</b>					
Financial investments	5,611	0	5,611	2,443	3,168
Cash and cash equivalents	116,611	0	116,611	0	116,611
Receivables	214,746	12,624	202,122	0	202,122
Other assets	26,072	10,789	15,283	3,995	11,288
<b>Financial instruments: ASSETS</b>	<b>363,040</b>	<b>23,413</b>	<b>339,627</b>	<b>6,438</b>	<b>333,189</b>
Financial liabilities	727,163	0	727,163	0	727,163
Trade payables	94,870	0	94,870	0	94,870
Other liabilities	216,806	101,176	115,630	68,702	49,928
<b>Financial instruments: EQUITY AND LIABILITIES</b>	<b>1,038,839</b>	<b>101,176</b>	<b>937,663</b>	<b>68,702</b>	<b>868,961</b>
<b>December 31, 2022</b>					
Financial investments	5,571	0	5,571	2,441	3,130
Cash and cash equivalents	127,816	0	127,816	0	127,816
Receivables	195,468	12,553	182,915	0	182,915
Other assets	24,015	7,545	16,470	4,171	12,299
<b>Financial instruments: ASSETS</b>	<b>352,870</b>	<b>20,098</b>	<b>332,772</b>	<b>6,612</b>	<b>326,160</b>
Financial liabilities	721,372	0	721,372	0	721,372
Trade payables	74,283	0	74,283	0	74,283
Other liabilities	225,447	95,967	129,480	64,050	65,430
<b>Financial instruments: EQUITY AND LIABILITIES</b>	<b>1,021,102</b>	<b>95,967</b>	<b>925,135</b>	<b>64,050</b>	<b>861,085</b>

Available-for-sale financial instruments are fundamentally long-term financial investments for which no pricing on an active market is available and the fair value of which cannot be reliably determined. These are carried at cost.

**FINANCIAL INSTRUMENTS BY BUSINESS MODEL  
IN ACC. WITH IFRS 9**

(in EUR '000)

	<b>March 31, 2023</b>	<b>December 31, 2022</b>
Financial assets measured at cost	333,189	326,160
Financial assets recognized at fair value directly in equity	2,443	2,441
Derivatives with hedging relationships, hedge accounting	3,995	4,171
<b>Financial instruments: ASSETS</b>	<b>339,627</b>	<b>332,772</b>
Financial liabilities measured at fair value through profit and loss	68,702	64,050
Financial liabilities measured at cost	868,961	861,085
<b>Financial instruments: EQUITY AND LIABILITIES</b>	<b>937,663</b>	<b>925,135</b>

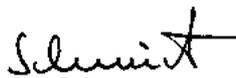
## [19] Approval for Publication

The Board of Management of INDUS Holding AG approved these IFRS interim financial statements for publication on May 10, 2023.

Bergisch Gladbach, May 10, 2023

INDUS Holding AG

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# Financial Calendar

Date	Event
May 17, 2023	Annual Shareholders' Meeting 2023, Cologne
August 10, 2023	Publication of interim report on the first half of 2023
November 14, 2023	Publication of interim report on the first nine months of 2023



Find the INDUS financial calendar and dates for corporate events at [www.indus.de/en/investor-relations/financial-calendar](http://www.indus.de/en/investor-relations/financial-calendar)

# Imprint

## RESPONSIBLE MEMBER OF THE BOARD OF MANAGEMENT

Dr.-Ing. Johannes Schmidt

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This interim report contains forward-looking statements based on assumptions and estimates made by the Board of Management of INDUS Holding AG. Although the Board of Management is of the opinion that these assumptions and estimates are accurate, they are subject to certain risks and uncertainty. Actual future results may deviate substantially from these assumptions and estimates due to a variety of factors. These factors include changes in the general economic situation, the business, economic and competitive situation, foreign exchange and interest rates, and the legal setting. INDUS Holding AG shall not be held liable for the future development and actual future results being in line with the assumptions and estimates included in this interim report. Assumptions and estimates made in this interim report will not be updated.

