

# INTERIM REPORT Q1 2020

[INDUS]

# HIGHLIGHTS

in EUR million	<b>Q1 2020</b>	<b>Q1 2019</b>
Sales	401.2	437.6
EBITDA	39.3	54.9
EBIT	16.0	33.6
EBIT margin (in %)	4.0	7.7
Group net income for the year (earnings after taxes)	8.9	19.9
Earnings per share (in EUR)	0.35	0.81
Operating cash flow	2.6	-15.2
Cash flow from operating activities	0.1	-17.5
Cash flow from investing activities	-7.8	-18.3
Cash flow from financing activities	36.7	21.6
	<b>MAR. 31, 2020</b>	<b>DEC. 31, 2019</b>
Total assets	1,861.9	1,808.2
Equity	735.9	727.7
Equity ratio (in %)	39.5	40.2
Working capital	480.8	478.3
Net debt	561.4	546.2
Cash and cash equivalents	163.8	135.1
Portfolio companies (number as of reporting date)	47	47

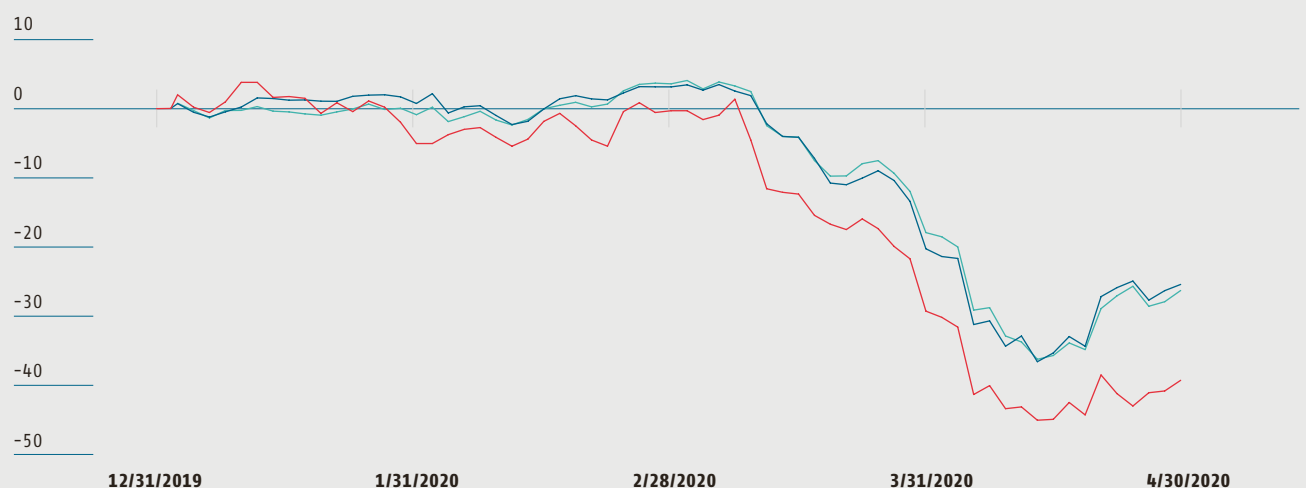
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- EBIT margin of over 16% in Construction/Infrastructure segment
- Significant loss in Automotive Technology segment
- Portfolio diversity and a high degree of liquidity ensure stability
- Limited ability to provide forecasts

## SHARE PRICE PERFORMANCE OF THE INDUS SHARE JANUARY TO APRIL 2020 EXCL. DIVIDENDS

(indexed, in %)



Source: Bloomberg

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

# LETTER TO THE SHAREHOLDERS

## DEAR SHAREHOLDERS,

The coronavirus pandemic continues to send shock waves around the world. At least in the Western democracies, however, social discourse is increasingly turning to how a gradual return to a new normal might be possible. How quickly social life and global economic cycles may potentially be normalized cannot currently be reliably predicted. International institutions and experts are all gradually correcting their forecasts for global economic development in 2020 downwards.

Our portfolio companies, too, are having to examine the effects of the coronavirus pandemic on their business in detail. Working with our managing directors, the INDUS Board of Management has initiated a number of measures to manage and mitigate the negative impacts of the coronavirus pandemic on the financial performance of our Group. How successful these measures have been varies throughout the individual portfolio companies.

Clear signs of the impact of the coronavirus pandemic can already be seen in the development of the Group in the first quarter of 2020. The Automotive Technology segment has been affected significantly, while the impact on the Engineering segment is also pronounced. The Medical Engineering/Life Science segment is also showing first signs of impact. In comparison with the previous year, Group sales declined 8.3% in the first three months of 2020 to EUR 401.2 million. Operating income (EBIT) was down 52.4% to EUR 16.0 million.

The Construction/Infrastructure segment made an unusually strong contribution as the mild winter in particular had an impact on figures, leading to uncommonly high sales right from the beginning of January. In the Automotive Technology segment, all companies reported a marked decline in sales against the previous year. This is firstly due to severely weak demand in Europe and the United States and secondly the effects of the coronavirus pandemic that first took hold in China. The majority of companies in the Engineering segment felt the effects of a general slowdown in the market in the first quarter. In addition, the direct impact of the coronavirus pandemic was already becoming noticeable, particularly in China. With the exception of one company in the Medical Engineering/Life Science segment, all companies in the segment recorded a single-digit-percent decrease in sales

in the first quarter. The decrease in rehabilitation technology was especially noticeable. Development in the Metals Technology segment was stable in the first quarter. Despite a slight decrease in sales, income actually improved slightly.

At EUR 2.6 million, operating cash flow was an encouraging EUR 17.8 million higher than in the previous year. Group liquidity was unusually high at the end of the quarter at EUR 163.8 million. Here it should be noted that existing credit lines totaling EUR 42.0 million were partly drawn down in March as a precaution. This was to ensure liquidity reserves are sufficient even if the coronavirus pandemic restrictions remain in place for a longer period. In close collaboration with our key financing partners, we have not recorded any restrictions to our rolling refinancing program. We therefore expect that we will not require state aid.

In January we were able to acquire as planned the remaining 14.5% of shares from the company founder of m+p International Mess- und Rechnertechnik GmbH who left the company's management. We now hold approximately 91% of the shares in this company. The company manufactures software and hardware to control and measure vibration and is active in one of our defined growth industries – measuring and control technology and automation technology. We are currently pursuing a number of M&A projects, some of which are at an advanced stage.

As you will remember, our 2019 Annual Report published March 30, 2020, contained a forecast in which we estimated the potential effects of the coronavirus pandemic on INDUS based on the economic scenarios available at the time. In the meantime, however, the economic scenarios have become much gloomier for 2020 – for Europe and the whole world.

There have even been some unexpected developments in our own portfolio companies. Several companies in our Medical Engineering/Life Science segment have been negatively impacted by disruptions to business among medical supply retailers and the large-scale suspension of “normal” operations at hospitals that have been cleared for patients suffering from the coronavirus. In our discussions with our portfolio companies we are hearing a lot of uncertainty when it comes to estimating how business will develop over the course of 2020. The form that the revival of economic cycles will take will be the decisive factor here.

In light of this, we currently do not believe that it is possible to produce a forecast for the whole of 2020 that can be deemed reliable for the capital market. However, we must assume that operating income will be significantly below our original expectations. We have therefore withdrawn our forecast from March 2020. As soon as the overall economic situation is stable enough to allow reliable forecasting we will of course communicate our forecast immediately.

Currently all of our efforts are focused on countering the impacts of the economic crisis on our portfolio companies as far as possible. The Board of Management is working closely with the managing directors of our portfolio compa-

nies to achieve this. Personnel capacities need to be adapted to the low utilization rate as quickly as possible. The aim is to maintain the core of our workforce while reducing employees’ hours to keep personnel costs down. As far as human resources are concerned, our managing directors are also ensuring occupational safety regulations are adhered to in accordance with the new coronavirus occupational safety standards. Strict management of material costs is also essential. Rigorous management of receivables and working capital and a restrained approach to investments in property, plant, and equipment will also be important levers in safeguarding liquidity at INDUS.

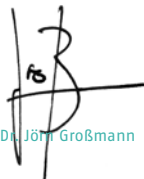
However, in times like these it is especially important to make the most of opportunities. We are therefore pushing forward unrelentingly with the focal points of our PARKOUR strategy program in order to drive innovation and improve operational excellence.

As we conclude this letter, we would like to ask you to recall the last financial crisis. Then, too, the diversity of our Group in terms of location and expertise played a significant role in helping us to weather the crisis better than many others. We will rely on these strengths once more to see us through the challenges posed by the coronavirus pandemic in 2020.

Bergisch Gladbach, May 2020



Dr. Johannes Schmidt



Dr. Jörn Großmann



Axel Meyer



Rudolf Weichert

# INTERIM MANAGEMENT REPORT

## PERFORMANCE OF THE INDUS GROUP IN THE FIRST THREE MONTHS OF 2020

### CONSOLIDATED STATEMENT OF INCOME

(in EUR million)

	Q1 2020	Q1 2019	DIFFERENCE	
			ABSOLUTE	IN %
<b>Sales</b>	<b>401.2</b>	<b>437.6</b>	<b>-36.4</b>	<b>-8.3</b>
Other operating income	3.6	2.8	0.8	28.6
Own work capitalized	1.5	6.4	-4.9	-76.6
Change in inventories	10.0	6.5	3.5	53.8
<b>Overall performance</b>	<b>416.3</b>	<b>453.3</b>	<b>-37.0</b>	<b>-8.2</b>
Cost of materials	-189.9	-216.2	26.3	12.2
Personnel expenses	-133.3	-129.8	-3.5	-2.7
Other operating expenses	-53.8	-52.4	-1.4	-2.7
<b>EBITDA</b>	<b>39.3</b>	<b>54.9</b>	<b>-15.6</b>	<b>-28.4</b>
Depreciation/amortization	-23.3	-21.3	-2.0	-9.4
<b>Operating income (EBIT)</b>	<b>16.0</b>	<b>33.6</b>	<b>-17.6</b>	<b>-52.4</b>
Financial income	-2.5	-3.5	1.0	28.6
<b>Earnings before taxes (EBT)</b>	<b>13.5</b>	<b>30.1</b>	<b>-16.6</b>	<b>-55.1</b>
Taxes	-4.6	-10.2	5.6	54.9
<b>Earnings after taxes</b>	<b>8.9</b>	<b>19.9</b>	<b>-11.0</b>	<b>-55.3</b>
of which attributable to non-controlling shareholders	0.5	0.1	0.4	>100
of which attributable to INDUS shareholders	8.4	19.8	-11.4	-57.6

The first quarter of 2020 was dominated by difficult economic and operating conditions for the INDUS Group with the outbreak of the coronavirus pandemic. INDUS portfolio companies in three of our five segments have already been materially impacted by the consequences of the pandemic in the reporting period. In addition, INDUS is still facing problems in the Automotive Technology segment. The Construction/Infrastructure segment reported an increase in sales and operating income (EBIT). The EBIT margin rose to an unusually high 16.6%.

### SALES DECLINE WITHIN THE INDUS GROUP

In the first quarter of 2020, the INDUS portfolio companies generated sales of EUR 401.2 million. This represents a decrease of EUR -36.4 million (-8.3%) in comparison with the first quarter of 2019. Revenue in the Automotive Technology segment and the Engineering segment declined significantly. The Medical Engineering/Life Science and Metals Technology segments both reported slight sales declines. The growth in sales of EUR 6.9 million in the Construction/Infrastructure segment could not compensate for the decreases in the other four segments. The organic decrease in sales in the INDUS Group came to 10.2%. An inorganic plus in sales of 1.9% was generated in the past financial year through the acquisition of MESUTRONIC and DSG.

The cost-of-materials ratio dropped from 49.4% to 47.3%. The personnel expense ratio rose 3.5 percentage points from 29.7% to 33.2%. It was not possible to fully adjust personnel costs to match the partially lower production capacity – particularly in the Automotive Technology and Engineering segments.

In the reporting quarter, other operating expenses of EUR 53.8 million were slightly higher in a year-over-year comparison due to exchange rate losses (previous year: EUR 52.4 million). Depreciation/amortization increased by 9.4% to EUR 23.3 million in total. This increase was mainly due to higher investment in fixed assets in recent years.

### MARKED DECLINE IN EARNINGS

At EUR 16.0 million, operating income (EBIT) was down by EUR 17.6 million on the previous year's figure. The EBIT margin came to 4.0% compared with 7.7% in the same period of the previous year. The decline is largely due to developments in the Automotive Technology and Engineering segments.

Net financial income improved by EUR 1.0 million, from EUR -3.5 million to EUR -2.5 million. In particular, this improvement was the result of higher income from the valuation of minority interests. Financial income includes net interest, income from shares accounted for using the equity method and other financial income. The valuations of

the interest rate swaps and minority interests are reported within other financial income.

At EUR 13.5 million, earnings before taxes (EBT) was lower in a year-over-year comparison (EUR 30.1 million). Tax expenses came to EUR 4.6 million, following EUR 10.2 million in the previous year, which resulted in a tax ratio of 34.1% that was virtually constant with the ratio of 33.9% in the previous year. Before the interests attributable to non-controlling shareholders were deducted, earnings after taxes had fallen by EUR 11.0 million to EUR 8.9 million (previous year: EUR 19.9 million). Earnings per share came to EUR 0.35, following EUR 0.81 in the previous year.

During the first three months of 2020, the INDUS Group companies employed 10,823 people on average (previous year: 10,668 employees).

### ACQUISITION OF REMAINING SHARES IN M+P INTERNATIONAL

INDUS acquired the shares of an existing shareholder and former managing director of m+p International Mess- und Rechnertechnik GmbH, Hanover, as planned in January 2020. By acquiring shares amounting to 14.5%, INDUS was able to increase the amount of shares it holds in m+p to 91.06%. m+p supplies measurement and test systems for vibration control and analysis, and has been part of the INDUS Group since January 2017.

# SEGMENT REPORTING

INDUS Holding AG divides its investment portfolio into five segments: Construction/Infrastructure, Automotive Technology, Engineering, Medical Engineering/Life Science and Metals Technology. As of March 31, 2020, our investment portfolio encompassed 47 operating units.

## CONSTRUCTION/INFRASTRUCTURE

### GROWTH IN SALES AND EARNINGS

Segment sales in the Construction/Infrastructure segment increased by EUR 6.9 million (8.0%) as against the same period of the previous year to EUR 93.5 million. The growth in sales was primarily in the air-conditioning devices, reinforced concrete, sealing systems, and home wiring and cabling areas.

Operating income increased more strongly than sales, namely by 55.0% to EUR 15.5 million (previous year: EUR 10.0 million). The EBIT margin reached a very encouraging value of 16.6%. It outstripped the solid margin seen in the previous year (11.5%) by 5.1 percentage points. The income from digital infrastructure and air-conditioning devices, which rose once more, contributed to the higher segment earnings.

Overall, the encouraging development seen in the Construction/Infrastructure segment has exceeded our expectations, and will likely prove better in the first quarter than over the course of 2020 due to the especially mild winter. As of March the coronavirus had not yet impacted income in the portfolio companies. From April onwards individual portfolio companies will report a decline in international markets due to the effects of the coronavirus. We expect decreased sales and operating income (EBIT) in comparison with the previous year over the remainder of the year.

The investments made in the segment related exclusively to fixed assets and were slightly below the previous year at EUR 4.1 million (EUR 4.9 million).

## KEY FIGURES FOR CONSTRUCTION/INFRASTRUCTURE (in EUR million)

	Q1 2020	Q1 2019	DIFFERENCE	
			ABSOLUTE	IN %
Revenue with external third parties	93.5	86.6	6.9	8.0
EBITDA	19.4	13.3	6.1	45.9
Depreciation/amortization	-3.9	-3.3	-0.6	-18.2
EBIT	15.5	10.0	5.5	55.0
EBIT margin in %	16.6	11.5	5.1 pp	-
Investments	4.1	4.9	-0.8	-16.3
Employees	1,900	1,843	57	3.1

## AUTOMOTIVE TECHNOLOGY

### DECLINING BUSINESS ACROSS THE SEGMENT

The Automotive Technology segment continues to be negatively affected by the circumstances in 2019 – namely, the automotive crisis due to the emissions scandal, the transition to e-mobility within the sector, restructuring projects at two INDUS portfolio companies, and declining call-off figures at series suppliers. Added to this are the first effects of the coronavirus pandemic in March 2020 with the closure of OEMs in China and the associated decline in call-off figures for automotive series production suppliers. At the end of March, approximately 21% of the employees in German locations were on short-time work.

At INDUS, sales in the first quarter of 2020 decreased in the Automotive Technology segment by EUR 13.9 million, or 15.0%, against the previous year. All portfolio companies in the segment were affected by this decrease in sales, which was caused by the issues listed above. In comparison, in the same quarter of the previous year only individual companies – two series suppliers in particular – were affected negatively. At EUR -12.0 million, operating income (EBIT) was down by EUR -12.2 million on the previous year's value. The segment's EBIT margin came to -15.2%, as against 0.2% in the previous year. All portfolio companies in the segment reported a decline in income in the reporting period.

We expect more severe consequences from the coronavirus pandemic in the second quarter. The impact will be strongest in April and May. We expect a decline in sales and decreased income for the whole of 2020. It will not be possible to achieve the originally forecast EBIT margin of -7% to -9% for the year. Further development in the segment over the course of the year is very much dependent on the duration

of the lockdown and the pace at which the automotive and automotive series production suppliers can return to work. At the moment it is impossible to foresee when this will be. Due to the restrained approach to investments prescribed by the INDUS Board of Management, at EUR 0.6 million investment in the Automotive Technology segment is down considerably against the same period of the previous year (EUR 2.3 million).

#### KEY FIGURES FOR AUTOMOTIVE TECHNOLOGY (in EUR million)

	Q1 2020	Q1 2019	DIFFERENCE	
			ABSOLUTE	IN %
Revenue with external third parties	78.9	92.8	-13.9	-15.0
EBITDA	-5.0	7.1	-12.1	<-100
Depreciation/amortization	-7.0	-6.9	-0.1	-1.4
EBIT	-12.0	0.2	-12.2	<-100
EBIT margin in %	-15.2	0.2	-15.4 pp	-
Investments	0.6	2.3	-1.7	-73.9
Employees	3,264	3,333	-69	-2.1

## ENGINEERING

### CORONAVIRUS PANDEMIC LEADS TO SEVERE DOWNTURN IN SALES AND INCOME

Segment sales in Engineering showed a marked decrease of EUR 25.0 million (-22.9%) as against the previous year. This decline was mainly reported among portfolio companies in the machine tool industry and portfolio companies with a large share of business with China. This is the result of a general downturn on the market. Some of the INDUS companies – particularly those with a large share of business with China – had already been significantly affected by the consequences of the coronavirus pandemic and the associated drop in orders between January and March 2020.

Operating income (EBIT) was down by EUR 10.2 million to EUR 2.6 million. At 3.1% the EBIT margin was unexpectedly low for the Engineering segment. Virtually all portfolio companies in the segment are affected by the decline in operating income.

Based on the current clear drop in incoming orders, INDUS expects lower sales and decreased income for the remainder of the 2020 financial year. It will not be possible to achieve the originally forecast EBIT margin of 9% to 11% for the year. Further development in the segment in the financial year is

very much dependent on the time frame of the recovery following the peak of the coronavirus pandemic in the second quarter. This cannot currently be reliably forecast. The order lead times in this segment, which usually stretch over a number of months, must also be taken into account and will result in sales only being recorded in 2021 in some cases even if incoming orders pick up at the beginning of the third quarter.

The investments of EUR 0.6 million made during the reporting period relate exclusively to investments in fixed assets, as in the same period of the previous year (EUR 2.9 million). The decline is partially due to the restrained investment policy due to the coronavirus pandemic.

#### KEY FIGURES FOR ENGINEERING (in EUR million)

	Q1 2020	Q1 2019	DIFFERENCE	
			ABSOLUTE	IN %
Revenue with external third parties	84.3	109.3	-25.0	-22.9
EBITDA	7.7	17.2	-9.5	-55.2
Depreciation/amortization	-5.1	-4.4	-0.7	15.9
EBIT	2.6	12.8	-10.2	-79.7
EBIT margin in %	3.1	11.7	-8.6 pp	-
Investments	0.6	2.9	-2.3	-79.3
Employees	2,261	2,065	196	9.5

## MEDICAL ENGINEERING/LIFE SCIENCE

### INDUS PORTFOLIO COMPANIES REPORT UNEXPECTEDLY SEVERE NEGATIVE EFFECTS FROM THE CORONAVIRUS

The portfolio companies in the Medical Engineering/Life Science segment reported sales of EUR 38.7 million in the first quarter of 2020, which corresponds to a decrease of EUR 2.2 million (-5.4%). With the exception of one portfolio company, all companies in this segment reported a decrease.

The INDUS Medical Engineering/Life Science segment is suffering several effects from the coronavirus pandemic lockdown. A large number of products are sold through medical supply retailers that are either shut or hardly have any footfall. Due to the delay of planned operations, the sale of products required for operations has decreased markedly. The cancellation of team sports due to the lockdown has also led to a collapse in the sale of bandages and orthotic devices. At EUR 3.1 million, operating income (EBIT) in the report-



ing period was slightly below the previous year’s level (EUR 3.8 million). The EBIT margin was 8.0%; 1.3 percentage points below that of the previous year.

The original forecast for this segment cannot be achieved. The coronavirus pandemic will have clear negative effects on the segment, the extent of which cannot yet be reliably estimated either for sales or income.

Investments stood at EUR 0.9 million, on a par with the previous year (EUR 0.8 million).

**KEY FIGURES FOR MEDICAL ENGINEERING/LIFE SCIENCE** (in EUR million)

	<b>DIFFERENCE</b>			
	<b>Q1 2020</b>	<b>Q1 2019</b>	<b>ABSOLUTE</b>	<b>IN %</b>
Revenue with external third parties	38.7	40.9	-2.2	-5.4
EBITDA	5.6	6.1	-0.5	-8.2
Depreciation/ amortization	-2.5	-2.3	-0.2	8.7
EBIT	3.1	3.8	-0.7	-18.4
EBIT margin in %	8.0	9.3	-1.3 pp	-
Investments	0.9	0.8	0.1	12.5
Employees	1,696	1,711	-15	-0.9

**KEY FIGURES FOR METALS TECHNOLOGY**

(in EUR million)

	<b>Q1 2020</b>	<b>Q1 2019</b>	<b>DIFFERENCE</b>	
			<b>ABSOLUTE</b>	<b>IN %</b>
Revenue with external third parties	106.1	108.3	-2.2	-2.0
EBITDA	13.6	12.8	0.8	6.2
Depreciation/ amortization	-4.7	-4.2	-0.5	-11.9
EBIT	9.0	8.6	0.4	4.7
EBIT margin in %	8.5	7.9	0.6 pp	-
Investments	1.8	7.9	-6.1	-77.2
Employees	1,662	1,679	-17	-1.0

**METALS TECHNOLOGY**

**SLIGHT INCREASE IN OPERATING INCOME**

Segment sales in Metals Technology reported a decline in the first quarter of 2020 of EUR 2.2 million (2.0%) to EUR 106.1 million (previous year: EUR 108.3 million). This was due partly to a downturn in the plastic plating sector, which will be discontinued in 2020.

On a more positive note, at EUR 9.0 million, operating income (EBIT) was up by EUR 0.4 million on the previous year’s value. This was attributable to the field of carbide tools and mining, which saw lively demand. At 8.5% the EBIT margin was 0.6 percentage points higher than the previous year’s figure (7.9%), and thus remains high.

At EUR 1.8 million, the volume invested in the first quarter was down considerably in a year-over-year comparison (EUR 7.9 million). The high figure reported in the previous year was due, in particular, to an increase in capacity at a major portfolio company.

# FINANCIAL POSITION

## CONSOLIDATED STATEMENT OF CASH FLOWS, CONDENSED

(in EUR million)

	Q1 2020	Q1 2019	DIFFERENCE	
			ABSOLUTE	IN %
Operating cash flow	2.6	-15.2	17.8	>100
Interest	-2.5	-2.3	-0.2	-8.7
<b>Cash flow from operating activities</b>	<b>0.1</b>	<b>-17.5</b>	<b>17.6</b>	<b>&gt;100</b>
Cash outflow for investment	-7.9	-18.8	10.9	58.0
Cash inflow from the disposal of assets	0.1	0.5	-0.4	-80.0
<b>Cash flow from investing activities</b>	<b>-7.8</b>	<b>-18.3</b>	<b>10.5</b>	<b>57.4</b>
Dividends paid to minority shareholders	-0.1	-0.2	0.1	50.0
Cash inflow from raising of loans	67.0	45.9	21.1	46.0
Cash outflow from the repayment of loans	-22.5	-18.1	-4.4	-24.3
Cash outflow from the repayment of lease liabilities	-4.6	-4.7	0.1	-2.1
Cash outflow from the repayment of contingent purchase price commitments	-3.1	-1.3	-1.8	<-100
<b>Cash flow from financing activities</b>	<b>36.7</b>	<b>21.6</b>	<b>15.1</b>	<b>69.9</b>
Net changes in cash and cash equivalents	29.0	-14.2	43.2	>100
Changes in cash and cash equivalents caused by currency exchange rates	-0.3	0.5	-0.8	<-100
Cash and cash equivalents at the beginning of the period	135.1	109.6	25.5	23.3
<b>Cash and cash equivalents at the end of the period</b>	<b>163.8</b>	<b>95.9</b>	<b>67.9</b>	<b>70.8</b>

### STATEMENT OF CASH FLOWS: OPERATING CASH FLOW UP CONSIDERABLY YEAR-OVER-YEAR

Despite lower earnings after taxes in comparison with the previous year of EUR 8.9 million (previous year: EUR 19.9 million), operating cash flow in the first quarter of 2020 was EUR 17.8 million higher than in the same period of the previous year. This is due, in particular, to lower working capital growth as against the same period of the previous year. All in all, cash flow from operating activities rose by EUR 17.6 million to EUR 0.1 million.

Cash flow from investing activities came to EUR -7.8 million, compared with EUR -18.8 million in the previous year. As in the same period of the previous year, this outflow was virtually entirely due to investments in property, plant, and equipment, and intangible assets. The decrease already reflects the subdued attitude to investment resulting from the coronavirus crisis.

Cash inflow from the raising of loans climbed by EUR 21.1 million to EUR 67.0 million. Due to the coronavirus pandemic, INDUS drew down existing, contractually-

agreed credit lines of EUR 42.0 million as a precaution against liquidity risks. Due and in some cases contingent purchase price liabilities of EUR 3.1 million were also repaid in the first quarter (previous year: EUR 1.3 million). Cash outflow from the repayment of lease liabilities remained virtually constant against the previous year at EUR 4.6 million (previous year: EUR 4.7 million). Cash flow from financing activities increased by EUR 15.1 million in total.

As a result, at EUR 163.8 million, cash and cash equivalents were above the level of EUR 135.1 million seen at the end of 2019, and above the value seen in the first quarter of the previous year. This unusual level of cash and cash equivalents is due to the holding company purposefully creating a liquidity buffer as a precaution against potential effects of the coronavirus pandemic.

#### CONSOLIDATED STATEMENT OF FINANCIAL POSITION, CONDENSED

(in EUR million)

	MAR. 31, 2020	DEC. 31, 2019	DIFFERENCE	
			ABSOLUTE	IN %
<b>ASSETS</b>				
<b>Non-current assets</b>	<b>1,043.9</b>	<b>1,058.2</b>	<b>-14.3</b>	<b>-1.4</b>
Fixed assets	1,026.5	1,039.2	-12.7	-1.2
Receivables and other assets	17.4	19.0	-1.6	-8.4
<b>Current assets</b>	<b>818.0</b>	<b>750.0</b>	<b>68.0</b>	<b>9.1</b>
Inventories	403.1	381.4	21.7	5.7
Receivables and other assets	251.1	233.5	17.6	7.5
Cash and cash equivalents	163.8	135.1	28.7	21.2
<b>Total assets</b>	<b>1,861.9</b>	<b>1,808.2</b>	<b>53.7</b>	<b>3.0</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Non-current financial instruments</b>	<b>1,390.6</b>	<b>1,389.4</b>	<b>1.2</b>	<b>0.1</b>
Equity	735.9	727.7	8.2	1.1
Borrowings	654.7	661.7	-7.0	-1.1
of which provisions	51.6	54.4	-2.8	-5.1
of which payables and deferred taxes	603.1	607.3	-4.2	-0.7
<b>Current financing instruments</b>	<b>471.3</b>	<b>418.8</b>	<b>52.5</b>	<b>12.5</b>
of which provisions	78.8	74.6	4.2	5.6
of which liabilities	392.5	344.2	48.3	14.0
<b>Total equity and liabilities</b>	<b>1,861.9</b>	<b>1,808.2</b>	<b>53.7</b>	<b>3.0</b>

### SUMMARY: HIGH DEGREE OF LIQUIDITY ENSURES STABILITY

The INDUS Group's consolidated total assets amounted to EUR 1,861.9 million, and were thus 3.0% higher than they were as of December 31, 2019. This increase is mainly the result of higher liquidity levels (EUR +28.7 million) and an increase in inventories (EUR +21.7 million). Liquidity levels were purposefully increased due to the coronavirus pandemic. As a precaution, INDUS drew down EUR 42.0 mil-

lion from existing credit lines in order to create a buffer to ensure liquidity within the Group for the duration of the coronavirus pandemic.

Equity increased by EUR 8.2 million (1.1%). The equity ratio as of March 31, 2020, amounted to 39.5%, only just below the equity ratio as of December 31, 2019 (40.2%). The increase in current financing instruments is especially due to the increase in liquidity for the Group noted above.

As of March 31, 2020, working capital amounted to EUR 480.8 million, just marginally higher than the figure as of December 31, 2019 (EUR 478.3 million). This slight increase of just EUR 2.5 million is unusual for the first quar-

ter of a financial year. The lower buildup of inventories is down to restricted working capital management on the one hand and the downturn in sales caused by the pandemic on the other.

**WORKING CAPITAL**

(in EUR million)

	<b>MAR. 31, 2020</b>	<b>DEC. 31, 2019</b>	<b>DIFFERENCE</b>	
			<b>ABSOLUTE</b>	<b>IN %</b>
Inventories	403.1	381.4	21.7	5.7
Trade receivables	211.6	202.5	9.1	4.5
Trade payables	-79.9	-55.9	-24.0	42.9
Advance payments received	-23.2	-18.9	-4.3	-22.8
Contract liabilities	-30.8	-30.8	0.0	0.0
<b>Working capital</b>	<b>480.8</b>	<b>478.3</b>	<b>2.5</b>	<b>0.5</b>

Net financial liabilities came to EUR 561.4 million as of March 31, 2020, up by EUR 15.2 million on December 31, 2019. The increase comprises higher financial liabilities (EUR +43.9 million) and the counteracting increase in cash and cash equivalents (EUR +28.7 million). The rise in cur-

rent financial liabilities is a result of the credit lines drawn down to establish a liquidity buffer for the INDUS Group to counter any potential cash outflow resulting from the effects of the coronavirus pandemic.

**NET FINANCIAL LIABILITIES**

(in EUR million)

	<b>MAR. 31, 2020</b>	<b>DEC. 31, 2019</b>	<b>DIFFERENCE</b>	
			<b>ABSOLUTE</b>	<b>IN %</b>
Non-current financial liabilities	544.7	546.3	-1.6	-0.3
Current financial liabilities	180.5	135.0	45.5	33.7
Cash and cash equivalents	-163.8	-135.1	-28.7	21.2
<b>Net financial liabilities</b>	<b>561.4</b>	<b>546.2</b>	<b>15.2</b>	<b>2.8</b>

# RISKS AND OPPORTUNITIES

For the Opportunities and Risk Report of INDUS Holding AG, please consult the 2019 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.

Our expectations at the time were based on the assumption that the economic situation would stabilize after six to eight weeks (by the middle or end of May). We now recognize that this assumption was too optimistic. In addition, the impacts of the coronavirus pandemic on the Automotive Technology, Engineering, and Medical Engineering/Life Science segments are considerably more negative than anticipated in March 2020. However, we anticipate no other risks that could threaten the existence of the company as a going concern.

## OUTLOOK

The measures to reduce the spread of the coronavirus are having a considerable impact on the global economy. The Chinese economy appears to be quickly returning to normal following the lockdown in February, whereas the United States and Europe are currently still very much affected. The US and European economies are being held back by the health measures in place. The volatility on the capital markets is a reflection of the uncertainty of when, how and whether the measures to contain the spread of the pandemic will be suspended in 2020. GDP is expected to shrink in the first half of the year in Germany, but may see an upswing from the third quarter. In summary, a short but serious recession is expected in Germany. Accordingly, economic expectations for Germany's manufacturing sector are in free fall at -56.1% according to the ifo Institute in April 2020. The automotive industry has been severely impacted, with numerous plants closing. The economic indicators for the metal manufacturing and processing industry have been especially hard hit, with capacity utilization at just 67% and business outlook at -64.5%, leading to the slight recovery at the beginning of the

year being stopped in its tracks. In the mechanical engineering sector, business expectations have collapsed to -71.8%. One of the main reasons for this is the deterioration in the export outlook at -64.9%.

INDUS' 2019 Annual Report published March 26, 2020, contained a forecast in which we estimated the potential effects of the coronavirus pandemic on INDUS based on the economic scenarios available at the time. In the meantime, however, the economic scenarios have become much gloomier for 2020 – for Europe and the whole world. Some of the Group's portfolio companies have reported unexpected developments. For example, several companies in our Medical Engineering/Life Science segment have been very negatively impacted by disruptions to business among medical supply retailers and the large-scale suspension of "normal" operations at hospitals that have been cleared for patients suffering from the coronavirus. The general uncertainty among the portfolio companies regarding development in 2020 is currently reaching its peak. How quickly economic cycles can be revived will be decisive for how the rest of the year develops. This revival has only just begun however.

In light of this, it is currently not possible to produce a forecast for the whole of 2020 that can be deemed robust and reliable for the capital market. However, it can be assumed that operating income will be significantly below our original forecast for the whole of 2020. We have therefore withdrawn our forecast from March 2020. As soon as the overall economic situation is stable enough to allow reliable forecasting we will communicate our forecast immediately.

# CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF INCOME

FOR THE FIRST QUARTER OF 2020

in EUR '000	NOTES	Q1 2020	Q1 2019
<b>REVENUE</b>		<b>401,242</b>	<b>437,647</b>
Other operating income		3,596	2,847
Own work capitalized		1,507	6,434
Change in inventories		10,007	6,413
Cost of materials	[3]	-189,863	-216,183
Personnel expenses	[4]	-133,336	-129,786
Depreciation/amortization		-23,301	-21,368
Other operating expenses	[5]	-53,811	-52,445
<b>OPERATING INCOME (EBIT)</b>		<b>16,041</b>	<b>33,559</b>
Interest income		93	14
Interest expense		-4,063	-3,716
<b>NET INTEREST</b>		<b>-3,970</b>	<b>-3,702</b>
Interest income		93	14
Interest expense		-4,063	-3,716
<b>NET INTEREST</b>		<b>-3,970</b>	<b>-3,702</b>
<b>EARNINGS BEFORE TAXES (EBT)</b>		<b>13,480</b>	<b>30,115</b>
Taxes	[7]	-4,5895	-10,256
<b>EARNINGS AFTER TAXES</b>		<b>8,895</b>	<b>19,859</b>
of which attributable to non-controlling shareholders		458	80
of which attributable to INDUS shareholders		8,437	19,779
Earnings per share (basic and diluted) in EUR	[8]	0.35	0.81

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FIRST QUARTER OF 2020

in EUR '000	Q1 2020	Q1 2019
<b>EARNINGS AFTER TAXES</b>	<b>8,895</b>	<b>19,859</b>
Actuarial gains/losses	3,706	-2,040
Deferred taxes	-974	839
<b>Items not to be reclassified to profit or loss</b>	<b>2,732</b>	<b>-1,201</b>
Currency conversion adjustment	-3,615	1,721
Change in the market values of hedging instruments (cash flow hedge)	261	-1,347
Deferred taxes	-60	213
<b>Items to be reclassified to profit or loss</b>	<b>-3,414</b>	<b>587</b>
<b>OTHER COMPREHENSIVE INCOME</b>	<b>-682</b>	<b>-614</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>8,213</b>	<b>19,245</b>
of which attributable to non-controlling shareholders	458	80
of which attributable to INDUS shareholders	7,755	19,165

Income and expenses recorded under other comprehensive income include actuarial gains from pensions and similar obligations amounting to EUR 3,706 thousand (previous year: EUR -2,040 thousand). These gains are mainly due to a 0.4% increase in the interest rate for domestic pension obligations and 0.25% for foreign pensions (Switzerland).

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, 2020

in EUR '000	NOTES	MAR. 31, 2020	DEC. 31, 2019
<b>ASSETS</b>			
Goodwill		415,046	415,169
Right-of-use assets from leasing/rent		73,359	75,738
Other intangible assets		98,765	101,409
Property, plant, and equipment		422,960	430,679
Investment property		2,816	2,843
Financial investments		6,421	6,366
Shares accounted for using the equity method		7,171	6,951
Other non-current assets		2,990	3,309
Deferred taxes		14,374	15,720
<b>Non-current assets</b>		<b>1,043,902</b>	<b>1,058,184</b>
Inventories	[9]	403,063	381,364
Receivables	[10]	211,589	202,527
Other current assets		22,842	21,107
Current income taxes		16,691	9,889
Cash and cash equivalents		163,763	135,120
<b>Current assets</b>		<b>817,948</b>	<b>750,007</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,861,850</b>	<b>1,808,191</b>
<b>EQUITY AND LIABILITIES</b>			
Subscribed capital		63,571	63,571
Capital reserve		239,833	239,833
Other reserves		430,265	422,510
<b>Equity held by INDUS shareholders</b>		<b>733,669</b>	<b>725,914</b>
Non-controlling interests in the equity		2,205	1,807
<b>Equity</b>		<b>735,874</b>	<b>727,721</b>
Pension provisions		50,142	52,942
Other non-current provisions		1,446	1,482
Non-current financial liabilities	[11]	544,684	546,341
Other non-current liabilities	[12]	20,574	21,370
Deferred taxes		37,886	39,602
<b>Non-current liabilities</b>		<b>654,732</b>	<b>661,737</b>
Other current provisions		78,844	74,608
Current financial liabilities	[11]	180,462	135,045
Trade payables		79,870	55,931
Other current liabilities	[12]	123,262	140,096
Current income taxes		8,806	13,053
<b>Current liabilities</b>		<b>471,244</b>	<b>418,733</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,861,850</b>	<b>1,808,191</b>



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FROM JANUARY 1 TO MARCH 31, 2020

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 DEC. 31, 2018</b>	<b>63,571</b>	<b>239,833</b>	<b>424,785</b>	<b>-21,066</b>	<b>707,123</b>	<b>2,702</b>	<b>709,825</b>
Earnings after taxes			19,779		19,779	80	19,859
Other comprehensive income				-614	-614		-614
<b>Total comprehensive income</b>			<b>19,779</b>	<b>-614</b>	<b>19,165</b>	<b>80</b>	<b>19,245</b>
Dividend payment						-203	-203
<b>AS OF MAR. 31, 2019</b>	<b>63,571</b>	<b>239,833</b>	<b>444,564</b>	<b>-21,680</b>	<b>726,288</b>	<b>2,579</b>	<b>728,867</b>
<b>AS OF DEC. 31, 2019</b>	<b>63,571</b>	<b>239,833</b>	<b>447,566</b>	<b>-25,056</b>	<b>725,914</b>	<b>1,807</b>	<b>727,721</b>
Earnings after taxes			8,437		8,437	458	8,895
Other comprehensive income				-682	-682		-682
<b>Total comprehensive income</b>			<b>8,437</b>	<b>-682</b>	<b>7,755</b>	<b>458</b>	<b>8,213</b>
Dividend payment						-60	-60
<b>AS OF MAR. 31, 2020</b>	<b>63,571</b>	<b>239,833</b>	<b>456,003</b>	<b>-25,738</b>	<b>733,669</b>	<b>2,205</b>	<b>735,874</b>

Interests held by non-controlling shareholders mainly consist of minority interests in WEIGAND Bau GmbH and subsidiaries of the ROLKO Group. Minority interests in limited partnerships and limited liability companies, for which the

economic ownership of the corresponding minority 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 2020

in EUR '000	Q1 2020	Q1 2019
Earnings after taxes	8,895	19,859
Depreciation/appreciation of non-current assets	23,301	21,368
Taxes	4,585	10,256
Financial income	2,561	3,444
Other non-cash transactions	481	837
Changes in provisions	1,400	5,762
Increase (-)/decrease (+) in inventories, receivables, and other assets	-30,831	-50,589
Increase (+)/decrease (-) in trade payables and other equity and liabilities	9,713	-7,740
Income taxes received/paid	-17,503	-18,414
<b>Operating cash flow</b>	<b>2,602</b>	<b>-15,217</b>
Interest paid	-2,644	-2,308
Interest received	93	13
<b>Cash flow from operating activities</b>	<b>51</b>	<b>-17,512</b>
Cash outflow from investments in		
Property, plant, and equipment, and intangible assets	-7,736	-18,810
Financial investments	-112	-71
Shares in fully consolidated companies	0	0
Cash inflow from the disposal of other assets	57	537
<b>Cash flow from investing activities</b>	<b>-7,791</b>	<b>-18,344</b>
Dividends paid to minority shareholders	-60	-203
Cash outflow from the repayment of contingent purchase price commitments	-3,149	-1,300
Cash inflow from raising of loans	67,000	45,935
Cash outflow from the repayment of loans	-22,467	-18,139
Cash outflow from the repayment of lease liabilities	-4,580	-4,746
<b>Cash flow from financing activities</b>	<b>36,744</b>	<b>21,547</b>
Net changes in cash and cash equivalents	29,004	-14,309
Changes in cash and cash equivalents caused by currency exchange rates	-361	538
Cash and cash equivalents at the beginning of the period	135,120	109,647
<b>Cash and cash equivalents at the end of the period</b>	<b>163,763</b>	<b>95,876</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, 2020, to March 31, 2020, 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 2019 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 2020 do not necessarily allow predictions to be made regarding future business performance.

Preparation of 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 esti-

mates. 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 2020 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 the consolidated financial statements of INDUS Holding AG.

## NOTES TO THE CONSOLIDATED STATEMENT OF INCOME

### [3] COST OF MATERIALS

in EUR '000	Q1 2020	Q1 2019
Raw materials, consumables and supplies, and purchased merchandise	-164,737	-187,214
Purchased services	-25,126	-28,969
<b>Total</b>	<b>-189,863</b>	<b>-216,183</b>

### [4] PERSONNEL EXPENSES

in EUR '000	Q1 2020	Q1 2019
Wages and salaries	-112,751	-109,690
Social security	-19,351	-18,921
Pensions	-1,234	-1,175
<b>Total</b>	<b>-133,336</b>	<b>-129,786</b>

**[5] OTHER OPERATING EXPENSES**

in EUR '000	<b>Q1 2020</b>	<b>Q1 2019</b>
Selling expenses	-21,007	-21,249
Operating expenses	-16,751	-16,771
Administrative expenses	-12,747	-13,241
Other expenses	-3,306	-1,184
<b>Total</b>	<b>-53,811</b>	<b>-52,445</b>

**[6] FINANCIAL INCOME**

in EUR '000	<b>Q1 2020</b>	<b>Q1 2019</b>
Interest and similar income	93	14
Interest and similar expenses	-4,063	-3,716
<b>Net interest</b>	<b>-3,970</b>	<b>-3,702</b>
<b>Income from shares accounted for using the equity method</b>	<b>147</b>	<b>207</b>
Market value of interest rate swaps	0	1
Minority interests	1,261	-13
Income from financial investments	1	63
<b>Other financial income</b>	<b>1,262</b>	<b>51</b>
<b>Total</b>	<b>-2,561</b>	<b>-3,444</b>

The “minority interests” item includes an effect on income from the subsequent valuation of the contingent purchase price liabilities (call/put options) of EUR 683 thousand (previous year: EUR 520 thousand) and earnings after taxes that external entities are entitled to from shares in limited partnerships and stock corporations with call/put options. The corresponding amounts are reported under “other financial income.”

**[7] TAXES**

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

**[8] EARNINGS PER SHARE**

in EUR '000	<b>Q1 2020</b>	<b>Q1 2019</b>
Income attributable to INDUS shareholders	8,437	19,779
Weighted average shares outstanding (in thousands)	24,451	24,451
<b>Earnings per share (in EUR)</b>	<b>0.35</b>	<b>0.81</b>

## NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### [9] INVENTORIES

in EUR '000	<b>MAR. 31, 2020</b>	<b>DEC. 31, 2019</b>
Raw materials, consumables, and supplies	136,494	132,655
Unfinished goods	107,374	96,908
Finished goods and goods for resale	127,210	124,951
Advance payments	31,985	26,850
<b>Total</b>	<b>403,063</b>	<b>381,364</b>

### [10] RECEIVABLES

in EUR '000	<b>MAR. 31, 2020</b>	<b>DEC. 31, 2019</b>
Receivables from customers	196,795	180,579
Contract receivables	12,614	19,470
Receivables from associated companies	2,180	2,478
<b>Total</b>	<b>211,589</b>	<b>202,527</b>

### [11] FINANCIAL LIABILITIES

in EUR '000	<b>MAR. 31, 2020</b>	<b>CURRENT</b>	<b>NON-CURRENT</b>	<b>DEC. 31, 2019</b>	<b>CURRENT</b>	<b>NON-CURRENT</b>
Liabilities to banks	414,489	106,112	267,306	361,694	100,992	260,702
Liabilities from leasing	72,711	15,197	57,514	74,520	15,971	58,549
Promissory note loans	237,946	18,082	219,864	245,172	18,082	227,090
<b>Total</b>	<b>725,146</b>	<b>139,391</b>	<b>544,684</b>	<b>681,386</b>	<b>135,045</b>	<b>546,341</b>

### [12] LIABILITIES

Other liabilities of EUR 37,348 thousand (Dec. 31, 2019: EUR 40,266 thousand) include contingent purchase price liabilities, carried at fair value, insofar as the minority shareholders can tender shares to INDUS by terminating the Articles of Incorporation or on the basis of option agreements.

## OTHER DISCLOSURES

## [13] SEGMENT REPORTING

## SEGMENT INFORMATION BY DIVISION FOR THE FIRST QUARTER OF 2020

SEGMENT REPORT IN ACCORDANCE WITH IFRS 8

(in EUR '000)

	<b>CON- STRUCTION/ INFRA- STRUCTURE</b>	<b>AUTOMOTIVE TECHNOLOGY</b>	<b>ENGINEERING</b>	<b>MEDICAL ENGINEERING/ LIFE SCIENCE</b>	<b>METALS TECHNOLOGY</b>	<b>TOTAL SEGMENTS</b>	<b>RECON- CILIATION</b>	<b>CON- SOLIDATED FINANCIAL STATEMENTS</b>
<b>Q1 2020</b>								
Revenue with external third parties	93,456	78,931	84,274	38,715	106,065	401,441	-199	401,242
Revenue with Group companies	8,785	19,758	14,517	4,020	13,935	61,015	-61,015	0
<b>Revenue</b>	<b>102,241</b>	<b>98,689</b>	<b>98,791</b>	<b>42,735</b>	<b>120,000</b>	<b>462,456</b>	<b>-61,214</b>	<b>401,242</b>
<b>Segment earnings (EBIT)</b>	<b>15,521</b>	<b>-12,020</b>	<b>2,593</b>	<b>3,148</b>	<b>8,951</b>	<b>18,193</b>	<b>-2,152</b>	<b>16,041</b>
Income from measurement according to the equity method	-213	0	360	0	0	147	0	147
<b>Depreciation/amortization</b>	<b>-3,864</b>	<b>-7,000</b>	<b>-5,068</b>	<b>-2,477</b>	<b>-4,669</b>	<b>-23,078</b>	<b>-223</b>	<b>-23,301</b>
<b>Segment EBITDA</b>	<b>19,385</b>	<b>-5,020</b>	<b>7,661</b>	<b>5,625</b>	<b>13,620</b>	<b>41,271</b>	<b>-1,929</b>	<b>39,342</b>
<b>Investments</b>	<b>4,099</b>	<b>562</b>	<b>606</b>	<b>906</b>	<b>1,788</b>	<b>7,961</b>	<b>-113</b>	<b>7,848</b>

## SEGMENT REPORT IN ACCORDANCE WITH IFRS 8

(in EUR '000)

	<b>CON- STRUCTION/ INFRA- STRUCTURE</b>	<b>AUTOMOTIVE TECHNOLOGY</b>	<b>ENGINEERING</b>	<b>MEDICAL ENGINEERING/ LIFE SCIENCE</b>	<b>METALS TECHNOLOGY</b>	<b>TOTAL SEGMENTS</b>	<b>RECON- CILIATION</b>	<b>CON- SOLIDATED FINANCIAL STATEMENTS</b>
<b>Q1 2019</b>								
Revenue with external third parties	86,559	92,786	109,303	40,923	108,261	437,832	-185	437,647
Revenue with Group companies	8,111	20,903	16,890	4,338	20,055	70,297	-70,297	0
<b>Revenue</b>	<b>94,670</b>	<b>113,689</b>	<b>126,193</b>	<b>45,261</b>	<b>128,316</b>	<b>508,129</b>	<b>-70,482</b>	<b>437,647</b>
<b>Segment earnings (EBIT)</b>	<b>9,982</b>	<b>191</b>	<b>12,840</b>	<b>3,844</b>	<b>8,643</b>	<b>35,500</b>	<b>-1,941</b>	<b>33,559</b>
Income from measurement according to the equity method	116	20	71	0	0	207	0	207
<b>Depreciation/amortization</b>	<b>-3,367</b>	<b>-6,910</b>	<b>-4,411</b>	<b>-2,273</b>	<b>-4,195</b>	<b>-21,156</b>	<b>-212</b>	<b>-21,368</b>
<b>Segment EBITDA</b>	<b>13,349</b>	<b>7,101</b>	<b>17,251</b>	<b>6,117</b>	<b>12,838</b>	<b>56,656</b>	<b>-1,729</b>	<b>54,927</b>
<b>Investments</b>	<b>4,924</b>	<b>2,258</b>	<b>2,921</b>	<b>824</b>	<b>7,855</b>	<b>18,782</b>	<b>99</b>	<b>18,881</b>

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 2020</b>	<b>Q1 2019</b>
<b>Segment earnings (EBIT)</b>	<b>18,193</b>	<b>35,500</b>
Areas not allocated incl. holding company	-1,836	-1,924
Consolidations	-316	-17
Financial income	-2,561	-3,444
<b>Earnings before taxes</b>	<b>13,480</b>	<b>30,115</b>

The classification of segments corresponds without change to the current state of internal reporting. The segment information relates to continued operations. The companies are assigned to the segments based on their selling markets if the large majority of their range is sold in a particular market environment (Automotive Technology, Medical Engineering/Life Science). Otherwise they are classified by common features in their production structure (Construction/Infrastructure, Engineering, Metals Technology).

The reconciliations contain the figures of the holding company, non-operating units not allocated to any segment, and consolidations. See the explanation provided in the management report regarding the products and services that generate segment sales.

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 val-

uation 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	<b>GROUP</b>	<b>GERMANY</b>	<b>EU</b>	<b>THIRD COUNTRIES</b>
<b>Revenue with external third parties</b>				
Q1 2020	401,242	209,226	87,451	104,565
<b>Non-current assets, less deferred taxes and financial instruments</b>				
Mar. 31, 2020	1,020,117	865,118	55,240	99,759
<b>Revenue with external third parties</b>				
Q1 2019	437,647	231,607	90,744	115,296
<b>Non-current assets, less deferred taxes and financial instruments</b>				
Dec. 31, 2019	1,032,789	873,328	56,787	102,674



#### [14] 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

(EUR '000)

	<b>BALANCE SHEET VALUE</b>	<b>NOT WITHIN THE SCOPE OF IFRS 9</b>	<b>IFRS 9 FINANCIAL INSTRUMENTS</b>	<b>OF WHICH MEASURED AT FAIR VALUE</b>	<b>OF WHICH MEASURED AT AMORTIZED COST</b>
<b>MAR. 31, 2020</b>					
Financial investments	6,421	0	6,421	2,511	3,910
Cash and cash equivalents	163,763	0	163,763	0	163,763
Receivables	211,589	12,614	198,975	0	198,975
Other assets	25,832	15,754	10,078	70	10,008
<b>Financial instruments: Assets</b>	<b>407,605</b>	<b>28,368</b>	<b>379,237</b>	<b>2,581</b>	<b>376,656</b>
Financial liabilities	725,146	0	725,146	0	725,146
Trade payables	79,870	0	79,870	0	79,870
Other liabilities	143,836	69,758	74,078	43,343	30,735
<b>Financial instruments: Equity and liabilities</b>	<b>948,852</b>	<b>69,758</b>	<b>879,094</b>	<b>43,343</b>	<b>835,751</b>
	<b>BALANCE SHEET VALUE</b>	<b>NOT WITHIN THE SCOPE OF IFRS 9</b>	<b>IFRS 9 FINANCIAL INSTRUMENTS</b>	<b>OF WHICH MEASURED AT FAIR VALUE</b>	<b>OF WHICH MEASURED AT AMORTIZED COST</b>
<b>DEC. 31, 2019</b>					
Financial investments	6,366	0	6,366	2,482	3,884
Cash and cash equivalents	135,120	0	135,120	0	135,120
Receivables	202,527	19,470	183,057	0	183,057
Other assets	24,416	13,078	11,338	34	11,304
<b>Financial instruments: Assets</b>	<b>368,429</b>	<b>32,548</b>	<b>335,881</b>	<b>2,516</b>	<b>333,365</b>
Financial liabilities	681,386	0	681,386	0	681,386
Trade payables	55,931	0	55,931	0	55,931
Other liabilities	161,466	68,717	92,749	46,521	46,228
<b>Financial instruments: Equity and liabilities</b>	<b>898,783</b>	<b>68,717</b>	<b>830,066</b>	<b>46,521</b>	<b>783,545</b>

**FINANCIAL INSTRUMENTS BY BUSINESS MODEL IN ACC. WITH IFRS 9 (EUR '000)**

	<b>MAR. 31, 2020</b>	<b>DEC. 31, 2019</b>
Financial assets measured at fair value through profit and loss	70	34
Financial assets measured at cost	376,656	333,365
Financial assets recognized at fair value directly in equity	2,511	2,482
<b>Financial instruments: Assets</b>	<b>379,237</b>	<b>335,881</b>
Financial liabilities measured at fair value through profit and loss	37,349	40,273
Financial liabilities measured at cost	835,751	783,545
Derivatives with hedging relationship, hedge accounting	5,994	6,248
<b>Financial instruments: Equity and liabilities</b>	<b>879,094</b>	<b>830,066</b>

**[15] APPROVAL FOR PUBLICATION**

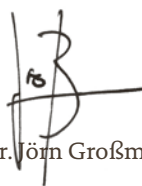
The Board of Management of INDUS Holding AG approved these IFRS interim financial statements for publication on May 13, 2020.

Bergisch Gladbach, May 13, 2020  
INDUS Holding AG

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# FINANCIAL CALENDAR

DATE	EVENT
August 11, 2020	Interim report Q2/H1 2020
August 2020	Annual Shareholders' Meeting 2020
November 12, 2020	Interim report Q3 2020

# IMPRINT

## RESPONSIBLE MEMBER OF THE BOARD OF MANAGEMENT

Dr.-Ing. Johannes Schmidt

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This interim report is also available in German. Only the German version of the interim report is legally binding.

## DISCLAIMER:

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.

