

Industrial Artificial Intelligence

Pioneering a Smarter World

Report on the 1st Six Months of 2024

PSI 

PSI Group Data as per 30 June 2024 at a Glance (IFRS)

	01/01-30/06/24 in KEUR	01/01-30/06/23 in KEUR	Change in KEUR	Change in %
Revenues	112,297	119,267	-6,970	-5.8
Operating Result	-19,412	-5,363	-14,049	>100
Result before income taxes	-20,355	-6,294	-14,061	>100
Net result	-22,551	-8,744	-13,807	>100
Cash and cash equivalents	37,986	51,504	-13,518	-26.3
Employees on 30 June	2,324	2,273	+51	+2.2
Revenue/Employee	48.3	52.5	-4.2	-7.9

Interim Management Report

Business Development

Earnings

PSI Group achieved 5.8 % lower sales of 112.3 million euros in the first half of 2024 (June 30, 2023: 119.3 million euros). In the second quarter of 2024, sales improved slightly to 62.0 million euros (June 30, 2023: 61.0 million euros) despite the effects of the cyberattack in February 2024. The operating result (EBIT) was still negative in the second quarter at -4.6 million euros (April 1-June 30, 2023: -9.4 million euros), but improved compared to the same quarter of the previous year and the first quarter of 2024. In the first half of 2024, it was clearly negative at -19.4 million euros (June 30, 2023: -5.4 million euros) following the impact of the cyberattack. The consolidated result was correspondingly -22.6 million (June 30, 2023: -8.7 million euros). Incoming orders decreased by 8.9% year-on-year to 154 million euros (June 30, 2023: 169 million euros) as a result of the cyberattack; in the second quarter, they improved by 15.7% year-on-year to 59 million euros (April 1-June 30, 2023: 51 million euros). At 211 million euros, the order backlog as at June 30, 2024 exceeded the prior-year figure by 7.1% (June 30, 2023: 197 million euros).

The Energy Management segment (energy grids, energy trading, public transport) achieved 7.6% lower sales of 53.4 million euros (June 30, 2023: 57.8 million euros) and a significantly lower operating result of -16.2 million euros (June 30, 2023: -8.2 million euros). Although the segment's business gradually returned to normal over the course of the quarter, it was still clearly impacted by the consequences of the cyberattack.

Sales in the Production Management segment (metals, industry, logistics) decreased by 4.2% to 58.9 million euros in the first half of the year (June 30, 2023: 61.5 million euros). The segment's operating result deteriorated to -1.3 million euros (June 30, 2023: 8.1 million euros), but the segment returned to profit in the second quarter. Although Production Management also continued to suffer from the consequences of the cyberattack, the overall negative effect on sales and earnings was lower than in Energy Management due to the more product-based business.

Financial Position

Cash flow from operating activities was negative at –17.6 million euros as a result of the cyberattack (June 30, 2023: 2.1 million euros). At 38.0 million euros, cash and cash equivalents were 13.5 million euros below the previous year's figure (June 30, 2023: 51.5 million euros), offset by higher current financial liabilities of 14.4 million euros (December 31, 2023: 2.1 million euros).

Assets

Compared to 31 December 2023, there have not been any material changes in the Group's assets.

Personnel Development

The number of employees in the Group increased slightly to 2,324 (June 30, 2023: 2,273).

PSI-Shares

The PSI stock ended the first six months of 2024 with a final price of 21.90 euros, 13.4% below the final 2023 price of 25.30 euros. In the same period, the technology index TecDAX recorded a decrease of 0.3%.

Risk Report

The estimate of the corporate risk has not changed since the Annual Report for 31 December 2023.

Outlook

Following the cyberattack in February 2024 and the restart of the renewed IT systems, productive operations have largely resumed since the beginning of May and have continued to normalize since then. In the course of the restart, further measures were adopted that will significantly increase the security of the IT systems as part of a revised IT strategy. As announced in June 2024, the PSI Group intends to streamline its organizational structure by merging the German subsidiaries into PSI Software SE. The structural simplification will facilitate the PSI-wide harmonization of business processes, tap synergy potential and improve the overall scalability of the business.

As already announced at the beginning of June, the Executive Board expects, taking into account the negative effects of the cyberattack, a reduction in sales of around 20 to 30 million euros and a negative operating result in the upper single-digit to lower double-digit million range for the full year.

Group Balance Sheet

from 1 January 2024 until 30 June 2024 according to IFRS

	6 Month Report 01/01-30/06/24 KEUR	Annual Report 01/01-31/12/23 KEUR
Assets		
Non current assets		
Intangible assets	71,183	73,112
Property, plant and equipment	35,248	37,429
Investments in associates	693	693
Deferred tax assets	7,915	8,133
	115,039	119,367
Current assets		
Inventories	9,937	4,977
Net trade receivables	47,239	48,315
Receivables from long-term development contracts	55,726	49,552
Other assets	11,834	6,135
Income tax receivables	4,295	4,332
Cash and cash equivalents	37,986	50,475
	167,017	163,786
Total assets	282,056	283,153
Total Equity and Liabilities		
Equity		
Subscribed capital	40,185	40,185
Capital reserves	35,137	35,137
Reserve for treasury shares	-4,698	-4,698
Other reserves	-18,612	-18,544
Retained earnings	37,095	59,646
	89,107	111,726
Non-current liabilities		
Pension provisions and similar obligations	42,453	42,958
Deferred tax liabilities	4,589	4,803
Other liabilities	535	534
Provisions	1,032	1,032
Lease liabilities	16,437	17,918
Financial liabilities	11,391	13,189
	76,437	80,434
Current liabilities		
Trade payables	21,542	18,864
Other liabilities	28,792	32,801
Provisions	2,472	3,017
Liabilities from long-term development contracts and deferred revenue	41,752	26,289
Lease liabilities	6,454	6,581
Financial liabilities	14,400	2,118
Liabilities in connection with discontinued assets	1,100	1,323
	116,512	90,993
Total equity and liabilities	282,056	283,153

Group Income Statement

from 1 January 2024 until 30 June 2024 according to IFRS

	Quarterly Report II		6 Month Report	
	01/04/24- 30/06/24 KEUR	01/04/23- 30/06/23 KEUR	01/01/24- 30/06/24 KEUR	01/01/23- 30/06/23 KEUR
Sales Revenues	62,029	61,037	112,297	119,267
Other operating income	2,365	1,181	3,552	7,869
Cost of materials	-8,581	-10,273	-16,329	-15,963
Personnel expenses	-47,876	-49,369	-94,650	-92,833
Depreciation and amortisation	-3,581	-3,699	-7,166	-7,379
Other operating expenses	-8,980	-8,248	-17,116	-16,324
Operating result	-4,624	-9,371	-19,412	-5,363
Investment income	305	268	305	268
Interest and similar income	176	129	311	260
Interest expenses	-774	-868	-1,559	-1,459
Result before income taxes	-4,917	-9,842	-20,355	-6,294
Income tax	-1,277	-2,590	-2,418	-3,178
Result after income taxes from continuing operations	-6,194	-12,432	-22,773	-9,472
Result after income taxes from discontinued operations	53	406	222	728
Net result	-6,141	-12,026	-22,551	-8,744
Earnings per share (in Euro per share, basic and diluted)	-0.40	-0.77	-1.46	-0.56
Profit attributable to shareholders from continuing operations	-0.40	-0.80	-1.47	-0.61
Profit attributable to shareholders from discontinued operations	0.00	0.03	0.01	0.05
Weighted average shares outstanding	15,487,995	15,487,995	15,487,995	15,487,995

Group comprehensive Income Statement

from 1 January 2024 until 30 June 2024 according to IFRS

	01/04/24- 30/06/24 KEUR	01/04/23- 30/06/23 KEUR	01/01/24- 30/06/24 KEUR	01/01/23- 30/06/23 KEUR
Net result	-6,141	-12,026	-22,551	-8,744
Currency translation foreign operations	290	-1,426	-68	-1,806
Net losses from cash flows hedges	0	0	0	0
Income tax effects	0	0	0	0
Group comprehensive result	-5,851	-13,452	-22,619	-10,550

Group Cash Flow Statement

from 1 January 2024 until 30 June 2024 according to IFRS

	6 Month Report 01/01-30/06/24 KEUR	6 Month Report 01/01-30/06/23 KEUR
CASHFLOW FROM OPERATING ACTIVITIES		
Result before income taxes	-20,133	-5,566
Adjustments for non-cash expenses		
Amortisation of intangible assets	1,960	2,117
Depreciation of property, plant and equipment	1,731	1,785
Amortization of right-of-use	3,475	3,477
Earnings from investments in associated companies	-305	-268
Income and expenses from asset disposals	0	-19
Interest income	-311	-256
Interest expenses	1,560	1,186
Other non-cash income/expenses	-221	-728
	-12,244	1,728
Changes of working capital		
Inventories	-4,883	-2,204
Trade receivables and receivables from long-term development contracts	-5,019	1,472
Other current assets	-5,447	-3,566
Provisions	-1,131	-1,106
Trade payables	2,636	-2,496
Other non-current and current liabilities	11,580	11,655
	-14,508	5,483
Income taxes paid	-3,093	-3,355
Cash flow from operating activities	-17,601	2,128
CASHFLOW FROM INVESTING ACTIVITIES		
Additions to intangible assets	-112	-301
Additions to property, plant and equipment	-1,251	-603
Cash received from distribution of associated companies	198	221
Interest received	291	256
Cash flow from investing activities	-874	-427
CASHFLOW FROM FINANCING ACTIVITIES		
Dividends paid	0	-6,195
Proceeds/repayments from/of borrowings	10,262	14,644
Repayments of lease liabilities	-3,382	-3,353
Interest paid on leases	-392	-260
Interest paid	-475	-203
Cash flow from financing activities	6,013	4,633
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		
Changes in cash and cash equivalents	-12,462	6,334
Valuation-related changes in cash and cash equivalents	-27	-274
Cash and cash equivalents at beginning of the period	50,475	45,444
Cash and cash equivalents at the end of the period	37,986	51,504

Statement of Changes in Equity

from 1 January 2024 until 30 June 2024 according to IFRS

	Number of shares issued	Share capital	Additional paid-in capital	Reserve for treasury stock	Other reserves	Accumulated results	Total
		KEUR	KEUR		KEUR	KEUR	KEUR
As of 1 January 2023	15,487,995	40,185	35,137	-4,698	-17,102	65,517	119,039
Group comprehensive result after tax					-1,442	324	-1,118
Dividends paid						-6,195	-6,195
As of 31 December 2023	15,487,995	40,185	35,137	-4,698	-18,544	59,646	111,726
Group comprehensive result after tax					-68	-22,551	-22,619
As of 30 June 2024	15,487,995	40,185	35,137	-4,698	-18,612	37,095	89,107

Shares held by Management Board and Supervisory Board as of 30 June 2024

	Shares on 30/06/2024	Shares on 30/06/2023
Executive Board		
Gunnar Glöckner	0	0
Robert Kläffus	54	-
Dr. Harald Schrimpf	-	54,000
Supervisory Board		
Andreas Böwing	0	0
Elena Günzler	2,022	2,022
Prof. Dr. Uwe Hack	600	600
Prof. Dr. Wilhelm Jaroni	0	0
Uwe Seidel	493	493
Karsten Trippel	117,322	115,322

Notes on the consolidated financial statements as of 30 June 2024

The Company

1. Business Activities and Legal Background

The business activities of PSI Software SE and its subsidiaries relate to the development and sale of software systems and products fulfilling the specific needs and requirements of its customers, particularly in the following industries and service lines: utilities, manufacturing, logistics and transportation. In addition, the Group provides services of all kinds in the field of data processing, sells electronic devices and operates data processing systems.

The PSI Group is structured into the core business segments energy management and production management. The company is listed in the Prime Standard segment of the Frankfurt stock exchange.

The company is exposed to a wide range of risks that are similar to other companies active in the dynamic technology sector. Major risks for the development of the PSI Group lie in the success with which it markets its software systems and products, competition from larger companies, the ability to generate sufficient cash flows for future business development as well as in individual risks regarding the integration of subsidiaries, organisational changes and the cooperation with strategic partners.

The condensed interim consolidated financial statements for the period from 1 January 2024 to 30 June 2024 were released for publication by a decision of the management on 4 September 2024.

The condensed interim consolidated financial statements for the period from 1 January 2024 to 30 June 2024 were produced in compliance with IAS 34 "Interim Financial Reporting". The condensed interim consolidated financial statements do not contain all the data and notes prescribed for the annual financial statements and should be read in conjunction with the consolidated financial statements for 31 December 2023.

2. Accounting and Valuation Principles

With regard to the principles of accounting and valuation and especially the application of International Financial Reporting Standards (IFRS), see the group consolidated financial statements for the financial year 2023.

3. Seasonal Influences on the Business Activities

Seasonal effects resulted in the PSI Group operations with regards to the receipt of maintenance revenues in the first quarter of the financial year (deferment of the influences on the result of corresponding incoming payments throughout the year) and significantly greater demand and project accounting in the fourth quarter of the financial year.

4. Significant Events

PSI Group was the target of a cyberattack in February 2024. The majority of the PSI Group's IT systems were taken offline and had to be shut down. PSI Group was temporarily only able to carry out central activities of its business model to a limited extent. In the meantime, productive operations have been largely resumed since the beginning of May. In the course of the restart, further measures were adopted which will significantly increase the security of the IT systems as part of a revised IT strategy.

5. Changes in the Consolidation Group

Compared to 31 December 2023 there were no changes in the consolidation group.

6. Selected Individual Items

Cash and cash equivalents

	30 June 2024 KEUR	31 December 2023 KEUR
Bank balances	33,925	47,712
Fixed term deposits	4,042	2,739
Cash	19	24
	37,986	50,475

Receivables from long-term development contracts, liabilities from long-term development contracts and deferred revenue

Costs and estimated earnings in excess of billings on uncompleted contracts arise when revenues have been recorded but the amounts cannot be billed under the terms of the contracts. Such amounts are recognized according to various performance criteria. Costs and estimated earnings contain directly allocable costs (labour cost and cost of services provided by third parties) as well as the appropriate portion of overheads including pro rata administrative expenses.

Liabilities and receivables according to the percentage-of-completion method break down as follows:

	30 June 2024 KEUR	31 December 2023 KEUR
Receivables from long-term development contracts (gross)	134,822	125,701
Payments on account	-79,096	-76,149
Receivables from long-term development contracts	55,726	49,552
Payments on account (gross)	94,071	94,676
Set off against contract revenue	-79,096	-76,149
Liabilities from long-term development contracts	14,975	18,527
Deferred revenue	26,777	7,762
Liabilities from long-term development contracts	41,752	26,289

Sales revenues

The sales revenues reported in the group income statement break down as follows:

30 June 2024 KEUR	Energy Management	Production Management	Total
Software development at fixed price	11,005	8,512	19,517
Software development, time and material	1,358	22,125	23,483
Maintenance	27,436	23,785	51,221
License fees	1,941	4,156	6,079
Merchandise	11,622	357	11,979
Total	53,362	58,935	112,297

30 June 2023 KEUR	Energy Management	Production Management	Total
Software development at fixed price	16,793	11,369	28,162
Software development, time and material	2,226	20,034	22,260
Maintenance	25,427	23,500	48,927
License fees	2,010	5,764	7,774
Merchandise	11,304	840	12,144
Total	57,760	61,507	119,267

Taxes on income

The main components of the income tax expenditure shown in the group income statement are added as follows:

	30 June 2024 KEUR	30 June 2023 KEUR
Effective taxes expenses		
Effective tax expenses	-2,414	-3,308
Deferred taxes		
Emergence and reversal of temporary differences	-4	130
Tax expenses	-2,418	-3,178

Segment Reporting

The development of the segment results can be seen in the Group segment reporting.

Segments of the PSI Group:

- Energy management: Intelligent solutions for network operators in the fields of electricity, gas, district heating and pipelines as well as for public transport, Focal points are reliable and economically sound control system solutions for intelligent energy grid management and the safe operation of traffic infrastructures as well as trade and sales management in the liberalized energy market,
- Production Management: Software products and solutions for production planning, optimization and control as well as efficient logistics, Focuses are the optimization of the use of resources and the increase of efficiency, quality and profitability,

Group Segment Reporting

from 1 January 2024 until 30 June 2024 according to IFRS

	Energy Management		Production Management		Reconciliation		PSI Group	
	30/06/2024 KEUR	30/06/2023 KEUR	30/06/2024 KEUR	30/06/2023 KEUR	30/06/2024 KEUR	30/06/2023 KEUR	30/06/2024 KEUR	30/06/2023 KEUR
Sales revenues								
Sales to external customers	53,362	57,759	58,935	61,508	0	0	112,297	119,267
Inter-segment sales	1,391	1,594	836	9,624	-2,227	-11,218	0	0
Segment revenues	54,753	59,353	59,771	71,132	-2,227	-11,218	112,297	119,267
Operating result before interest, tax, depreciation and amortization	-12,604	-4,772	1,766	11,795	-1,408	-5,007	-12,246	2,016
Operating result before depreciation and amortization resulting from purchase price allocation	-15,964	-7,951	-1,110	8,385	-1,872	-5,262	-18,946	-4,828
Depreciation and amortization resulting from purchase price allocation	-229	-296	-237	-239	0	0	-466	-535
Operating result	-16,193	-8,247	-1,347	8,146	-1,872	-5,262	-19,412	-5,363
Net finance result	-516	-318	-90	-183	-337	-430	-943	-931
Result before income taxes	-16,709	-8,565	-1,437	7,963	-2,209	-5,692	-20,355	-6,294

Responsibility Statement

To the best of our knowledge, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the group's development and performance of its position, together with a description of the principal opportunities and risks associated with the expected development of the group in the remaining months of the financial year, in accordance with proper accounting principles of interim consolidated reporting.

Financial Calendar

4 June 2024	Publication of Annual Result 2023
4 June 2024	Analyst Conference
26 July 2024	Annual General Meeting
30 August 2024	Report on the 1 st Quarter of 2024
6 September 2024	Report on the 1 st Six Months of 2024
17 September 2024	Capital Market Day
31 October 2024	Report on the 3 rd Quarter of 2024
25 to 27 November 2024	German Equity Forum, Analyst Presentation

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We will be happy to include you in our distribution list for stockholder information.

Please contact us should you require other information material.

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