

**BIG ENOUGH  
TO COMPETE –  
SMALL ENOUGH  
TO CARE.**

QUARTERLY REPORT  
Q3 2023/2024

# Quarterly Report Q3 2023/2024

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# Preface

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Dear Shareholders,

The last few months of the current 2023/2024 financial year (01/07/2023 – 31/03/2024) were affected by geo-economic uncertainties. The turnovers in the electric industry in the first quarter of 2024, which is our third quarter, were around 9 %<sup>1</sup> below the previous year's value on average due to reduced demand, particularly in Germany.

Our results on 31 March 2024 reflect the current economic market weakness. Despite some positive momentum such as a positive trend in book-to-bill, the current overall economic environment lacks the required dynamism to take advantage of the innovative diversity of the FORTEC group. Many of our customers have stocked up for the long term and are only building up their stock levels slowly due to the weak demand.

It has become apparent that the current 4th quarter of the 2023/2024 financial year cannot compensate for the previous development in the 3rd quarter. For this reason, we have decided to adjust the forecast for the current financial year and communicated this in the ad-hoc announcement dated 22 May 2024. We now expect a group turnover of between EUR 95.0 and 100.0 million (previously: EUR 106.0 million to EUR 116.0 million) and a group EBIT of between EUR 7.0 million and EUR 9.5 million (previously: EUR 9.5 million to EUR 11.0 million).

However, we are convinced that measures we have initiated will take effect completely if the market recovery that we are hoping for occurs in the second half of the year. We are therefore starting to implement our "Strong Together" strategy in order to expand our growth further in the medium-term. FORTEC is positioned robustly thanks to its local presence, global networking, diversification and high added value.

Dear shareholders, thank you for your trust and support in developing the future of our company sustainably.

**Sandra Maile**

Chair of the Management Board

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<sup>1</sup> <https://www.zvei.org/presse-medien/pressebereich/deutsche-elektro-und-digitalindustrie-spuerbar-weniger-auftraege-im-ersten-quartal-2024>

# Group quarterly report: 3rd quarter 2023/2024

01/07/2023-31/03/2024

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## Profit situation

### *General costs under control*

Group turnover was EUR 70.0 million and was therefore around 11 % lower than the previous year's turnover (previous year: EUR 78.5 million). The data visualisation segment contributed EUR 41.7 million to the total turnover and was therefore 18 % below the previous year's period. The power supply segment contributed EUR 28.3 million to the group turnover and was able to compensate for the economic market weakness profitably thanks to ongoing orders in the defence sector.

The inventories of finished goods and work in progress decreased accordingly in comparison to the previous year's value by EUR 565 thousand to EUR 840 thousand due to completing orders.

The cost of materials decreased from EUR 53.9 million to EUR 46.3 million in line with the lower turnover. The cost of sales ratio therefore fell slightly to 65.0 % (previous year: 66.9 %).

Personnel expenses at EUR 12.6 million remain higher than the previous year's value of EUR 11.8 million due to the generally higher personnel costs. The personnel cost ratio increased slightly disproportionately from 15.1 % in the previous year to 18.0 % due to the slight decrease in turnover.

At EUR 1.3 million, depreciation and amortisation was almost the same as in the previous year (EUR 1.2 million).

Other operating costs decreased from EUR 6.6 million in the previous year to EUR 5.9 million.

Relative to turnover, other operating costs remained at 8.5 % (previous year: 8.3 %).

Due to the aforementioned factors, the EBIT as a key financial performance indicator decreased from EUR 8.5 million in the previous year to EUR 5.7 million. The EBIT margin decreased slightly in the third quarter of the 2023/2024 financial year from 10.8 % to 8.1 %.

After the first nine months of the 2023/2024 financial year, the consolidated net profit was EUR 3.9 million (previous year: EUR 6.1 million). Earnings per share decreased accordingly from EUR 1.87 to EUR 1.21.

The order book was EUR 64.2 million at the end of March 2024 and has therefore normalised further in comparison to 30 June 2023 (EUR 83.0 million) due to the improvement in delivery capacity.

## Asset situation

### *Stock reduction due to better availability*

On the assets side, with a balance sheet total of EUR 75.4 million (30/06/2023: EUR 76.3 million), non-current assets amounted to EUR 16.8 million (30/06/2023: EUR 16.7 million). Of this figure, at EUR 6.5 million (30/06/2023: EUR 6.4 million) the goodwill from the acquired subsidiaries is the largest item.

Due to accounting in accordance with IFRS 16, rights of use amounting to EUR 5.0 million (30/06/2023: EUR 4.8 million) are reported. Under current assets, with a value of EUR 58.7 million (30/06/2023: EUR 59.6 million), due to the improvement to delivery capacity, the stocks at EUR 26.6 million (30/06/2023: EUR 32.6 million) therefore remain the largest single item on the balance sheet total. At EUR 11.3 million, the receivables from deliveries and services item is at the same level (30/06/2023: EUR 11.4 million). Cash and cash equivalents, the second largest item on the assets side, increased from EUR 13.2 million on 30 June 2023 to EUR 18.8 million.

## **Financial and liquidity position**

### *Equity ratio increases further*

The Group's equity ratio increased further to 74.5 % (30/06/2023: 72.1 %). At EUR 56.2 million (30/06/2023: EUR 55.0 million), the Group has sufficient equity.

Under current liabilities, liabilities due to deliveries and services decreased from EUR 6.5 million on 30 June 2023 to EUR 4.0 million.

The FORTEC GROUP defines the net financial assets that are relevant for a potential company valuation as the difference between the cash and cash equivalents, and the interest-bearing financial liabilities, of which the FORTEC GROUP only counts the bank liabilities. The net financial assets defined in this way are therefore EUR 17.4 million.

## **Forecast**

### *Outlook for 2023/2024 adjusted due to the weak economy*

The Management Board of FORTEC Elektronik AG has therefore decided, as communicated on 22nd May 2024 in an ad-hoc announcement, to adjust the forecast for the current financial year, as it has become apparent that the current 4th quarter of the 2023/2024 financial year cannot compensate for the declining development in the 3rd quarter. It now expects a group turnover of between EUR 95.0 and 100.0 million (previously: EUR 106.0 million to EUR 116.0 million) and a group EBIT of between EUR 7.0 million and EUR 9.5 million (previously: EUR 9.5 million to EUR 11.0 million).



# Consolidated statement of comprehensive income at 31/03/2024

unaudited, in accordance with IAS/IFRS

In thousand EUR	Consolidated statement of income 01/07/2023 - 31/03/2024	Consolidated statement of income 01/07/2022 - 31/03/2023
<b>Sales revenues</b>	<b>69,960</b>	<b>78,516</b>
Increased inventory of unfinished goods	840	1,405
Other operating income	967	2,079
Cost of materials	46,308	53,888
Personnel expenses	12,593	11,834
Depreciation	1,269	1,221
Other operating costs	5,934	6,557
<b>Operating result (EBIT)</b>	<b>5,662</b>	<b>8,500</b>
Other interest and similar income	56	2
Other interest and similar costs	98	111
<b>Result before taxes</b>	<b>5,620</b>	<b>8,392</b>
Taxes on income and earnings	1,696	2,299
<b>Consolidated net profit for the period</b>	<b>3,924</b>	<b>6,093</b>
Other earnings*	29	-317
<b>Total earnings</b>	<b>3,954</b>	<b>5,776</b>
Earnings per share (in EUR)	1.21	1.87
Number of shares (in units)	3,250,436	3,250,436
<b>Of the total result, the following are attributable to:</b>		
Shareholders of the parent company	3,956	5,776
Non-controlling shareholders	-2	0

\*Other comprehensive income exclusively comprises currency translation differences not recognised in profit or loss.

# Explanatory notes

## The basis for the preparation of the financial statements

The condensed Group report does not contain all information and disclosures required for consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements and the Group management report dated 30 June 2023.

The consolidated quarterly financial statements have been neither audited nor reviewed by an auditor.

The report has been drawn up in euros. For reasons of calculation, rounding differences may occur in the tables and in references.

## Segment reporting

The Group's reportable segments are data visualisation and power supplies. Other segments include intra-group services.

In thousand EUR	Data visualisation	Power supplies	Other segments	Total	Reconciliation Consolidation	Consolidated
External revenues	41,676	28,281	3	69,960	0	69,960
<i>Previous year</i>	<i>50,647</i>	<i>27,870</i>	<i>0</i>	<i>78,517</i>	<i>0</i>	<i>78,516</i>
Internal revenues	2,075	1,549	2,669	6,294	-6,294	0
<i>Previous year</i>	<i>3,302</i>	<i>1,669</i>	<i>1,494</i>	<i>6,466</i>	<i>-6,466</i>	<i>0</i>
Segment revenues	43,752	29,830	2,673	76,255	-6,294	69,960
<i>Previous year</i>	<i>53,949</i>	<i>29,539</i>	<i>1,494</i>	<i>84,982</i>	<i>-6,466</i>	<i>78,516</i>
Gross margin (total operating performance ./. cost of sales)	15,491	9,259	2,461	27,211	-2,719	24,492
<i>Previous year</i>	<i>18,167</i>	<i>8,206</i>	<i>855</i>	<i>27,228</i>	<i>-1,195</i>	<i>26,033</i>
Gross margin in %	35.4	31.0	92.1	35.7		35.0
<i>Previous year</i>	<i>33.7</i>	<i>27.8</i>	<i>57.2</i>	<i>32.0</i>		<i>33.2</i>
EBIT	3,098	2,746	-176	5,668	-5	5,663
<i>Previous year</i>	<i>6,922</i>	<i>2,439</i>	<i>-840</i>	<i>8,520</i>	<i>-20</i>	<i>8,500</i>
EBIT in %	7.1	9.2	-6.6	7.4	0.1	8.1
<i>Previous year</i>	<i>12.8</i>	<i>8.3</i>	<i>-56.2</i>	<i>10.0</i>	<i>0.3</i>	<i>10.8</i>

## **Disclaimer of liability**

This report contains certain forward-looking statements based on currently discernible and available information, assumptions and forecasts made by the Management of FORTEC Elektronik AG. They serve solely to provide information and are characterised by terms such as "believe", "expect", "predict", "intend", "forecast", "plan", "estimate" or "endeavour". These statements are therefore only valid at the time of their publication. Various known and unknown risks, uncertainties and other factors could lead to material differences between the forecasts given here and the actual results, financial situation, development or performance of the Company. FORTEC Elektronik AG assumes no obligation to update such forward-looking statements or to align them with future events or developments. Accordingly, no liability or guarantee for the topicality, correctness or completeness of this data and information is assumed either explicitly or implicitly.

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GROUP

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